

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members  
FROM JBC Staff  
DATE April 18, 2018  
SUBJECT JBC Bill Drafts and Memos

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This memo includes the following bill drafts for the Committees consideration.

- JBC Bill #55 – LLS 0987 “Concerning an Increase in the General Fund Reserve.” (John Ziegler)
- JBC Bill #71 – LLS 1159 “Concerning the Procurement Process for Major Information Technology Projects Undertaken by State Agencies, and, in Connection Therewith, Making an Appropriation.” (Kevin Neimond)
- JBC Bill #76 – LLS 1243 “Concerning Controlling Costs Under the “Colorado Medical Assistance Act”, and, in Connection Therewith, Using Data and Technology, Creating A Hospital Review Program, and Making an Appropriation.” (Eric Kurtz)
- JBC Bill #32&33 – LLS 0857 “Concerning Broadband Deployment into Unserved Areas of the State, and, in Connection Therewith, Making an Appropriation.” (Vance Roper)
- JBC Bill #58 – LLS 1068 “Concerning Evidence-based Review of State Programs by a Laboratory at an Institution of Higher Education, and, in Connection Therewith, Making and Reducing Appropriations.” (Vance Roper)
- JBC Bill #50 – LLS 1121 – Unclaimed Property Trust Fund (Vance Roper)
  - *Memo on the Unclaimed Property Trust Fund will be handed out at the meeting*
- JBC Bill #61 – LLS 1048 “Concerning the Exemption of Cybersecurity Threat Reports Received by Governmental Entities from the Definition of Public Records Under the “Colorado Open Records Act”.” (Christina Beisel)
- JBC Bill #26 – LLS 1099 “Concerning the Creation of the Justice Center Maintenance Fund.” (Steve Allen)
  - Memo titled “JBC Bill for Judicial Center Controlled Maintenance”
- JBC Bill #21 – LLS 1106 Competency Related Bills – no drafts included (Carolyn Kampman)
- JBC Bill #75 – LLS 1184 Higher Education Funding (Amanda Bickel)
  - Memo titled “OLLS 18-1184 – JBC Bill for \$18.0 million for Institutions of Higher Education”
- JBC Bill #60 – LLS 1088 “Concerning the Removal of Language that Prohibits Sectarian Secondary Schools from Applying for Grants Through the Tony Grampas Youth Services Program.” (Robin Smart)
  - There are two version of this draft LLS 1088.01 and LLS 1088.02
- JBC Bill #56 – LLS 0988 “Concerning Changing the Payroll Periods for Salaries Paid Through the State’s Payroll System from Monthly to Biweekly Rather than Twice Monthly.” (Alfredo Kemm)

## MEMORANDUM

This memo includes two tables, one for JBC Potential Legislation Not Yet Voted One and one for JBC Potential Legislation Moved to be Drafted/In Drafting.

JBC Potential Legislation Not Yet Voted One includes all potential bills discussed by the Committee since November that have been presented by staff or by a Committee member. Bills on this list can be moved to drafting or removed from the list.

JBC Potential Legislation Moved to be Drafting/In Drafting includes all bills the Committee has voted to draft and are included in this packet for review.

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
4.11.18

DRAFT

LLS NO. 18-0987.02 Ed DeCecco x4216

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Increase General Fund Reserve"

**A BILL FOR AN ACT**

101 **CONCERNING AN INCREASE IN THE GENERAL FUND RESERVE.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** For the fiscal year 2018-19, and each fiscal year thereafter, the bill increases the statutorily required general fund reserve from 6.5% to **7**% of the amount appropriated for expenditure from the general fund.

The bill also repeals the following exceptions from the definition of expenditure that is used to calculate the general fund reserve:

- Rental and other payments under a lease-purchase agreement for real property included in a separate,

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

- operating line item; and
- Money that the state controller credits from the general fund to the capital construction fund or to the principal of the controlled maintenance trust fund.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-201.1, **amend**  
3 (1)(d)(XIV) and (1)(d)(XVIII); **repeal** (2)(b) and (2)(c); and **add**  
4 (1)(d)(XIX) as follows:

5 **24-75-201.1. Restriction on state appropriations - legislative**  
6 **declaration - definitions.** (1) (d) For each fiscal year, unrestricted  
7 general fund year-end balances must be retained as a reserve in the  
8 following amounts:

9 (XIV) For the ~~fiscal year 2014-15 and each fiscal year thereafter,~~  
10 ~~excluding the fiscal years 2015-16 and 2016-17~~ FISCAL YEARS 2014-15  
11 AND 2017-18, six and one-half percent of the amount appropriated for  
12 expenditure from the general fund for that fiscal year;

13 (XVIII) For the fiscal year 2016-17, six percent of the amount  
14 appropriated for expenditure from the general fund for that fiscal year;  
15 AND

16 (XIX) FOR THE FISCAL YEAR 2018-19 AND EACH FISCAL YEAR  
17 THEREAFTER,   PERCENT OF THE AMOUNT APPROPRIATED FOR  
18 EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR.

19 (2) The basis for the calculation of the reserve as specified in this  
20 section includes all appropriations for expenditure from the general fund  
21 for such fiscal year, except for any appropriations for:

22 (b) ~~Rental and other payments under a lease-purchase agreement~~  
23 ~~for real property authorized by the general assembly pursuant to section~~

1 ~~24-82-801 (1)(a) included in a separate line item in the operating section~~  
2 ~~of an annual general appropriation act or a supplemental appropriation~~  
3 ~~act; and~~

4 (c) ~~Moneys that are credited by the state controller from the~~  
5 ~~general fund to the capital construction fund or to the principal of the~~  
6 ~~controlled maintenance trust fund as set forth in section 24-30-1310.~~

7 **SECTION 2. Act subject to petition - effective date.** This act  
8 takes effect at 12:01 a.m. on the day following the expiration of the  
9 ninety-day period after final adjournment of the general assembly (August  
10 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
11 referendum petition is filed pursuant to section 1 (3) of article V of the  
12 state constitution against this act or an item, section, or part of this act  
13 within such period, then the act, item, section, or part will not take effect  
14 unless approved by the people at the general election to be held in  
15 November 2018 and, in such case, will take effect on the date of the  
16 official declaration of the vote thereon by the governor.

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
4.17.18

DRAFT

LLS NO. 18-1159.01 Nicole Myers x4326

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Procurement Process For Major IT Projects"

**A BILL FOR AN ACT**

101 **CONCERNING THE PROCUREMENT PROCESS FOR MAJOR INFORMATION**  
102 **TECHNOLOGY PROJECTS UNDERTAKEN BY STATE AGENCIES,**  
103 **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill requires internal process changes in connection with the procurement process for major information technology (IT) projects as follows:

**Delegation of authority to sign contracts:** The state controller is authorized to delegate to state agencies the ability to sign contracts

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

involving the payment of money by the state. Currently, the state controller chooses not to delegate such authority to the office of information technology (office) for IT project contracts. The bill requires the state controller to delegate the ability to sign contracts for major IT projects to the office and specifically to the chief information officer or the chief information officer's designee.

**Project plan for IT projects:** The project plan for any major IT project by a state agency is required to include certain criteria. The bill specifies that in addition to current requirements, such a project plan shall include a planning and analysis function to be performed by the office to ensure that the state agency's desired major IT project solution is in accordance with the office's technology standards and to ensure that the scope and budget of the major IT project are vetted by the office.

**IT vendor selection:** The office is required to establish policies and procedures regarding a vendor selection standard to be used in selecting a vendor for any major IT project. The vendor selection standard is required to include a process for resolving differences of opinion between the office and the state agency in the vendor selection for any major IT project.

Additionally, in 2017, the general assembly enacted legislation that required the state auditor to enter into a contract with an independent consulting firm to evaluate state IT resources. The bill expands the scope of the current contract to include a review and evaluation of the procurement process for the human resources information system, also known as HRWorks, and to provide objective findings and recommendations that could help the procurement process for major IT projects in the future. The consulting firm is required to submit a report, containing specified findings and recommendations, to the legislative audit committee, the joint budget committee, the joint technology committee, and the office of information technology. After receiving the report, such committees, the office, and any other office or department that was the subject of recommendations made in the report are required to meet to discuss the implementation of the recommendations made in the report.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-202, **amend**  
3 (1) as follows:

4 **24-30-202. Procedures - vouchers, warrants, and checks -**  
5 **rules - penalties - definitions.** (1) No disbursements shall be made in

1 payment of any liability incurred on behalf of the state, other than from  
2 petty cash or by any alternative means of payment approved by fiscal rule  
3 promulgated by the controller, unless there has been previously filed with  
4 the office of the state controller a commitment voucher. The commitment  
5 voucher may be in the form of an advice of employment, a purchase  
6 order, a copy of a contract, or a travel authorization or in other form  
7 appropriate to the type of transaction as prescribed by the controller. Any  
8 state contract involving the payment of money by the state shall contain  
9 a clause providing that the contract shall not be deemed valid until it has  
10 been approved by the controller or such assistant as he OR SHE may  
11 designate; EXCEPT THAT A STATE CONTRACT FOR A MAJOR INFORMATION  
12 TECHNOLOGY PROJECT AS DEFINED IN SECTION 24-37.5-102 (2.6) SHALL  
13 CONTAIN A CLAUSE PROVIDING THAT THE CONTRACT SHALL NOT BE  
14 DEEMED VALID UNTIL IT HAS BEEN APPROVED BY THE CHIEF INFORMATION  
15 OFFICER OR THE CHIEF INFORMATION OFFICER'S DESIGNEE. Such contracts  
16 entered into on or after July 1, 1997, shall also contain a clause notifying  
17 the other party to the contract of the controller's authority to withhold  
18 debts owed to state agencies under the vendor offset intercept system  
19 pursuant to section 24-30-202.4 (3.5)(a)(I) and the types of debts that are  
20 subject to withholding under said system. The form and content of and  
21 procedures for filing such vouchers shall be prescribed by the fiscal rules  
22 promulgated by the controller.

23 **SECTION 2.** In Colorado Revised Statutes, 24-37.5-105, **amend**  
24 (4)(c)(VII) and (4)(c)(VIII); and **add** (4)(c)(IX) and (4.5) as follows:

25 **24-37.5-105. Office - responsibilities - rules.** (4) (c) As part of  
26 any major information technology project by a state agency, classified as  
27 such according to a comprehensive risk assessment performed by the



1 office, the project plan at a minimum shall include:

2 (VII) Independent verification and validation of the project; ~~and~~

3 (VIII) A funding strategy for the ongoing maintenance and  
4 eventual disposal of the information technology system; AND

5 (IX) A PLANNING AND ANALYSIS FUNCTION TO BE PERFORMED BY  
6 THE OFFICE TO ENSURE THAT THE STATE AGENCY'S DESIRED MAJOR  
7 INFORMATION TECHNOLOGY PROJECT SOLUTION IS IN ACCORDANCE WITH  
8 THE OFFICE'S TECHNOLOGY STANDARDS AND TO ENSURE THAT THE SCOPE  
9 AND BUDGET OF THE MAJOR INFORMATION TECHNOLOGY PROJECT ARE  
10 VETTED BY THE OFFICE.

11 (4.5) THE OFFICE SHALL ESTABLISH POLICIES AND PROCEDURES  
12 REGARDING A VENDOR SELECTION STANDARD TO BE USED IN SELECTING A  
13 VENDOR FOR ANY MAJOR INFORMATION TECHNOLOGY PROJECT CLASSIFIED  
14 AS SUCH BY THE OFFICE. THE VENDOR SELECTION STANDARD SHALL  
15 INCLUDE A PROCESS FOR RESOLVING DIFFERENCES OF OPINION BETWEEN  
16 THE OFFICE AND THE STATE AGENCY IN THE VENDOR SELECTION FOR ANY  
17 MAJOR INFORMATION TECHNOLOGY PROJECT.

18 **SECTION 3.** In Colorado Revised Statutes, 24-37.5-803, **add**  
19 (5.5) as follows:

20 **24-37.5-803. State information technology resources -**  
21 **independent evaluation and recommendations - report - repeal.**

22 (5.5) (a) THE QUALIFIED, INDEPENDENT THIRD-PARTY CONSULTING FIRM  
23 RETAINED PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL, IN  
24 ADDITION TO THE EVALUATION SPECIFIED IN SUBSECTION (2) OF THIS  
25 SECTION, REVIEW AND EVALUATE THE PROCUREMENT PROCESS FOR THE  
26 HUMAN RESOURCES INFORMATION SYSTEM, ALSO KNOWN AS HRWORKS,  
27 AND PROVIDE OBJECTIVE FINDINGS AND RECOMMENDATIONS THAT COULD

1       HELP THE PROCUREMENT PROCESS FOR MAJOR INFORMATION TECHNOLOGY  
2       PROJECTS IN THE FUTURE.

3               (b) ON OR BEFORE JUNE 30, 2019, THE CONSULTING FIRM SHALL  
4       SUBMIT A REPORT TO THE LEGISLATIVE AUDIT COMMITTEE, THE JOINT  
5       BUDGET COMMITTEE, THE JOINT TECHNOLOGY COMMITTEE, AND THE  
6       OFFICE OF INFORMATION TECHNOLOGY. THE REPORT SHALL INCLUDE:

7               (I) A DISCUSSION OF SPECIFIC POINTS IN THE MAJOR INFORMATION  
8       TECHNOLOGY PROJECT PROCUREMENT PROCESS THAT CONTRIBUTED TO  
9       THE CHALLENGES FOR THE EXECUTIVE BRANCH OF STATE GOVERNMENT  
10      AND THE GENERAL ASSEMBLY IN IDENTIFYING AND PROCURING OPTIMAL  
11      TECHNOLOGY SOLUTIONS; AND

12              (II) RECOMMENDATIONS REGARDING CHANGES THAT THE  
13      EXECUTIVE BRANCH OF STATE GOVERNMENT MAY IMPLEMENT AND POLICY  
14      DISCUSSIONS THAT THE GENERAL ASSEMBLY MAY CONSIDER TO IMPROVE  
15      MAJOR INFORMATION TECHNOLOGY PROJECT PROCUREMENT PROCESSES IN  
16      THE FUTURE.

17              (c) AFTER RECEIVING THE REPORT REQUIRED BY THIS SUBSECTION  
18      (5.5), THE JOINT BUDGET COMMITTEE, THE JOINT TECHNOLOGY  
19      COMMITTEE, THE OFFICE OF INFORMATION TECHNOLOGY, AND ANY OTHER  
20      OFFICE OR DEPARTMENT THAT WAS THE SUBJECT OF RECOMMENDATIONS  
21      MADE IN THE REPORT SHALL MEET TO DISCUSS THE IMPLEMENTATION OF  
22      THE RECOMMENDATIONS MADE IN THE REPORT.

23              **SECTION 4. Appropriation.** For the 2018-19 state fiscal year,  
24      \$141,744 is appropriated to the legislative department for use by the  
25      office of the state auditor. This appropriation is from the general fund. To  
26      implement this act, the office may use this appropriation for the purposes  
27      authorized in section 24-37.5-803, C.R.S.

1           **SECTION 5. Safety clause.** The general assembly hereby finds,  
2       determines, and declares that this act is necessary for the immediate  
3       preservation of the public peace, health, and safety.

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
4.16.18

DRAFT

LLS NO. 18-1243.01 Jerry Barry x4341

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC: "Controlling Medicaid Costs"**

**A BILL FOR AN ACT**

101 CONCERNING CONTROLLING COSTS UNDER THE "COLORADO MEDICAL  
102 ASSISTANCE ACT", AND, IN CONNECTION THEREWITH, USING  
103 DATA AND TECHNOLOGY, CREATING A HOSPITAL REVIEW  
104 PROGRAM, AND MAKING AN APPROPRIATION.

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill directs the department of health care policy and financing (department) to provide information to providers participating in the accountable care collaborative regarding:

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

- Cost and quality of medical services provided by hospitals and other medicaid providers; and
- Cost and quality of available pharmaceuticals prescribed by medicaid providers.

The department may make the same information available to other medicaid providers.

The department shall automatically review claims to identify and correct improper coding prior to payment and may obtain commercial technology to conduct the reviews.

The department is authorized to pursue cost-control strategies, value-based payments, and other approaches to reduce the rate of expenditure growth in the medicaid program. The department shall allow recipients, providers, and stakeholders an opportunity to comment and shall report to the joint budget committee prior to implementing any strategies or measures. The department is required to contract for an independent evaluation of any measures pursued and to provide reports to the joint budget committee on the evaluations.

Subject to federal approval, the department is also directed to design and implement an evidence-based hospital review program to ensure that utilization of hospital services is based on a recipient's need for care. Prior to implementing any changes, the department shall allow recipients, providers, and stakeholders an opportunity to comment and shall report to the joint budget committee. The department shall also report to the joint budget committee on the estimated savings from the changes.

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*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, **add** 25.5-4-419 as follows:

**25.5-4-419. Cost control - legislative intent - use of technology - stakeholder feedback - reporting - rules.** (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:

(a) THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING PURSUES STRATEGIES TO CONTROL COSTS IN THE MEDICAID PROGRAM AUTHORIZED IN THE "COLORADO MEDICAL ASSISTANCE ACT";

(b) THE STATE DEPARTMENT DEDICATES PERMANENT STAFF AND RESOURCES TO PURSUE COST-CONTROL STRATEGIES, VALUE-BASED

1 PAYMENTS, AND OTHER APPROACHES TO REDUCE THE RATE OF  
2 EXPENDITURE GROWTH IN THE MEDICAID PROGRAM; AND

3 (c) THIS SECTION DOES NOT PRECLUDE THE STATE DEPARTMENT  
4 FROM PURSUING OTHER COST CONTAINMENT ACTIVITIES THAT ARE NOT  
5 SPECIFICALLY DESCRIBED IN THIS SECTION.

6 (2) (a) THE STATE DEPARTMENT SHALL PROVIDE INFORMATION  
7 REGARDING MEDICAID EXPENDITURES AND THE QUALITY OF MEDICAL  
8 SERVICES PROVIDED BY PROVIDERS PARTICIPATING IN THE MEDICAID  
9 PROGRAM TO PROVIDERS PARTICIPATING IN THE ACCOUNTABLE CARE  
10 COLLABORATIVE PURSUANT TO SECTION 25.5-5-419.

11 (b) THE STATE DEPARTMENT SHALL PROVIDE INFORMATION  
12 REGARDING MEDICAID EXPENDITURES AND THE QUALITY OF AVAILABLE  
13 PHARMACEUTICALS PRESCRIBED BY PROVIDERS PARTICIPATING IN THE  
14 MEDICAID PROGRAM TO PROVIDERS PARTICIPATING IN THE ACCOUNTABLE  
15 CARE COLLABORATIVE PURSUANT TO SECTION 25.5-5-419.

16 (c) THE STATE DEPARTMENT MAY PROVIDE THE INFORMATION  
17 DESCRIBED IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION TO OTHER  
18 PROVIDERS PARTICIPATING IN THE MEDICAID PROGRAM.

19 (3) (a) THE STATE DEPARTMENT SHALL UTILIZE THE MEDICAID  
20 MANAGEMENT INFORMATION SYSTEM TO ENSURE THAT CLAIMS ARE  
21 AUTOMATICALLY REVIEWED PRIOR TO PAYMENT TO IDENTIFY AND  
22 CORRECT IMPROPER CODING THAT LEADS TO INAPPROPRIATE PAYMENT IN  
23 MEDICAID CLAIMS.

24 (b) THE STATE DEPARTMENT MAY PROCURE COMMERCIAL  
25 TECHNOLOGY TO IMPLEMENT THE REQUIREMENTS OF SUBSECTION (3)(a)  
26 OF THIS SECTION.

27 (4) (a) THE STATE DEPARTMENT SHALL PURSUE COST-CONTROL

1 STRATEGIES, VALUE-BASED PAYMENTS, AND OTHER APPROACHES TO  
2 REDUCE THE RATE OF EXPENDITURE GROWTH IN THE MEDICAID PROGRAM.

3 (b) PRIOR TO IMPLEMENTING ANY NEW MEASURES AUTHORIZED BY  
4 THIS SECTION, THE STATE DEPARTMENT SHALL PROVIDE AN OPPORTUNITY  
5 FOR AFFECTED RECIPIENTS, PROVIDERS, AND STAKEHOLDERS TO PROVIDE  
6 FEEDBACK ON THE STATE DEPARTMENT'S PROPOSED IMPLEMENTATION.

7 (5) BY NOVEMBER 1, 2018, THE STATE DEPARTMENT SHALL  
8 PROVIDE A REPORT TO THE JOINT BUDGET COMMITTEE CONCERNING:

9 (a) THE FEEDBACK RECEIVED PURSUANT TO SUBSECTION (4) OF  
10 THIS SECTION;

11 (b) THE TIMELINES FOR IMPLEMENTATION OF ANY COST-CONTROL  
12 MEASURES ENACTED PURSUANT TO THIS SECTION; AND

13 (c) A DESCRIPTION OF THE EXPECTED IMPACT ON RECIPIENTS AND  
14 RECIPIENTS' HEALTH OUTCOMES, AND HOW THE STATE DEPARTMENT PLANS  
15 TO MEASURE THE EFFECT ON RECIPIENTS.

16 (6) (a) THE STATE DEPARTMENT SHALL CONTRACT WITH A THIRD  
17 PARTY TO PERFORM AN INDEPENDENT EVALUATION OF THE COST-CONTROL  
18 MEASURES AUTHORIZED PURSUANT TO THIS SECTION.

19 (b) THE STATE DEPARTMENT SHALL PROVIDE A REPORT TO THE  
20 JOINT BUDGET COMMITTEE ON NOVEMBER 1, 2019, AND NOVEMBER 1,  
21 2020, DETAILING THE RESULTS OF THE INDEPENDENT EVALUATION,  
22 INCLUDING ESTIMATES OF THE COST SAVINGS ACHIEVED AND THE IMPACT  
23 OF THE COST-CONTROL MEASURES AUTHORIZED PURSUANT TO THIS  
24 SECTION ON RECIPIENTS AND RECIPIENTS' HEALTH OUTCOMES.

25 (7) THE STATE BOARD SHALL ADOPT ANY RULES NECESSARY FOR  
26 THE ADMINISTRATION AND IMPLEMENTATION OF THIS SECTION.

27 **SECTION 2.** In Colorado Revised Statutes, 25.5-4-402, **add** (4)

1 as follows:

2 **25.5-4-402. Providers - hospital reimbursement - hospital**  
3 **review program - rules.** (4) (a) SUBJECT TO FEDERAL APPROVAL, AND  
4 NOTWITHSTANDING ANY OTHER PROVISION OF THE "COLORADO MEDICAL  
5 ASSISTANCE ACT", THE STATE DEPARTMENT SHALL DESIGN AND  
6 IMPLEMENT AN EVIDENCE-BASED HOSPITAL REVIEW PROGRAM TO ENSURE  
7 APPROPRIATE UTILIZATION OF HOSPITAL SERVICES.

8 (b) CONSISTENT WITH FEDERAL REGULATIONS SET FORTH IN 42  
9 CFR 456, THE HOSPITAL REVIEW PROGRAM MAY INCLUDE THE FOLLOWING:

- 10 (I) PREADMISSION REVIEW;  
11 (II) CONTINUED STAY REVIEW;  
12 (III) TRANSFER PLANNING;  
13 (IV) DISCHARGE PLANNING;  
14 (V) CARE COORDINATION; AND  
15 (VI) RETROSPECTIVE CLAIMS REVIEW.

16 (c) (I) THE STATE DEPARTMENT SHALL CONSULT WITH AFFECTED  
17 STAKEHOLDERS PRIOR TO IMPLEMENTATION OF THE HOSPITAL REVIEW  
18 PROGRAM. AT A MINIMUM, THE STATE DEPARTMENT SHALL SOLICIT  
19 FEEDBACK FROM RECIPIENTS, HOSPITALS WITHIN COLORADO THAT  
20 PARTICIPATE IN MEDICAID, PROVIDERS PARTICIPATING IN THE  
21 ACCOUNTABLE CARE COLLABORATIVE PURSUANT TO SECTION 25.5-5-419,  
22 AND THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY  
23 ENTERPRISE BOARD ESTABLISHED IN SECTION 25.5-4-402.4 (7). IF THE  
24 STATE DEPARTMENT CONTRACTS WITH A THIRD-PARTY VENDOR TO  
25 IMPLEMENT THE HOSPITAL REVIEW PROGRAM, THE STATE DEPARTMENT  
26 SHALL REQUIRE THE VENDOR TO PARTICIPATE IN THE STAKEHOLDER  
27 OUTREACH WITH HOSPITALS REQUIRED PURSUANT TO THIS SUBSECTION



1 (4)(c)(I).

2 (II) PRIOR TO IMPLEMENTATION OF THE HOSPITAL REVIEW  
3 PROGRAM, THE STATE DEPARTMENT SHALL PROVIDE AN OPPORTUNITY FOR  
4 HOSPITALS TO TEST CONNECTIVITY TO AND WORKABILITY OF ANY NEW  
5 ELECTRONIC INTERFACE CREATED OR IMPLEMENTED AS PART OF THIS  
6 SECTION. THE STATE DEPARTMENT SHALL SELECT A LIMITED GROUP OF  
7 HOSPITALS TO TEST ANY NEW REQUIREMENTS PRIOR TO FULL  
8 IMPLEMENTATION.

9 (III) THE STATE DEPARTMENT SHALL PROVIDE A REPORT TO THE  
10 JOINT BUDGET COMMITTEE BY NOVEMBER 1, 2018, ON THE STATUS OF THE  
11 IMPLEMENTATION OF THE HOSPITAL REVIEW PROGRAM. THE REPORT MUST  
12 INCLUDE THE COMMENTS RECEIVED AS PART OF THE STAKEHOLDER  
13 PROCESS DESCRIBED IN SUBSECTION (4)(c)(I) OF THIS SECTION, AND A  
14 DESCRIPTION OF, AND ANY AVAILABLE RESULTS FROM, THE TESTING  
15 PROCESS DESCRIBED IN SUBSECTION (4)(c)(II) OF THIS SECTION.

16 (IV) THE STATE DEPARTMENT SHALL PROVIDE A REPORT TO THE  
17 JOINT BUDGET COMMITTEE ON NOVEMBER 1, 2019, AND NOVEMBER 1,  
18 2020, DETAILING THE ESTIMATES OF THE COST SAVINGS ACHIEVED AND  
19 THE IMPACT OF THE COST-CONTROL MEASURES AUTHORIZED PURSUANT TO  
20 THIS SECTION ON RECIPIENTS AND RECIPIENTS' HEALTH OUTCOMES.

21 **SECTION 3. Appropriation - adjustments to 2018 long bill.**

22 (1) For the 2018-19 state fiscal year, \$2,737,764 is appropriated to the  
23 department of health care policy and financing for use by the executive  
24 director's office. Of this appropriation, \$2,007,911 is from the general  
25 fund and \$729,853 is from the healthcare affordability and sustainability  
26 fee cash fund created in section 25.5-4-402.4 (5)(a), C.R.S. To implement  
27 this act, the department may use this appropriation as follows:

1 (a) \$333,902 from the general fund for personal services, which  
2 amount is based on an assumption that the department will require an  
3 additional 6.8 FTE;

4 (b) \$22,612 from the general fund for operating expenses;

5 (c) \$1,750,000, which consists of \$1,213,625 from the general  
6 fund and \$536,375 from the healthcare affordability and sustainability fee  
7 cash fund created in section 25.5-4-402.4 (5)(a), C.R.S., for general  
8 professional services;

9 (d) \$237,500, which consists of \$164,706 from the general fund,  
10 which amount is subject to the "(M)" notation as defined in the annual  
11 general appropriation act for the same fiscal year, and \$72,794 from the  
12 healthcare affordability and sustainability fee cash fund created in section  
13 25.5-4-402.4 (5)(a), C.R.S., for medicaid management information system  
14 maintenance and projects; and

15 (e) \$393,750, which consists of \$273,066 from the general fund,  
16 which amount is subject to the "(M)" notation as defined in the annual  
17 general appropriation act for the same fiscal year, and \$120,684 from the  
18 healthcare affordability and sustainability fee cash fund created in section  
19 25.5-4-402.4 (5)(a), C.R.S., for utilization and quality review contracts.

20 (2) For the 2018-19 state fiscal year, the general assembly  
21 anticipates that the department of health care policy and financing will  
22 receive \$5,200,263 in federal funds to implement this act. The  
23 appropriation in subsection (1) of this section is based on the assumption  
24 that the department will receive this amount of federal funds to be used  
25 as follows:

26 (a) \$333,901 for personal services;

27 (b) \$22,612 for operating expenses;

- 1 (c) \$1,750,000 for general professional services;  
2 (d) \$1,912,500 for medicaid management information system  
3 maintenance and projects; and  
4 (e) \$1,181,250 for utilization and quality review contracts.

5 (3) To implement this act, appropriations made in the annual  
6 general appropriation act for the 2018-19 state fiscal year to the  
7 department of health care policy and financing are adjusted as follows:

8 (a) The general fund appropriation for medical and long-term care  
9 services for medicaid eligible individuals is decreased by \$2,738,227,  
10 which amount is subject to the "(M)" notation as defined in the annual  
11 general appropriation act for the same fiscal year; and

12 (b) The cash funds appropriation from the healthcare affordability  
13 and sustainability fee cash fund created in section 25.5-4-402.4 (5)(a),  
14 C.R.S. for medical and long-term care services for medicaid eligible  
15 individuals is decreased by \$507,240.

16 (4) The decrease of the appropriations in subsection (3) of this  
17 section is based on the assumption that the anticipated amount of federal  
18 funds received for the 2018-19 state fiscal year by the department of  
19 health care policy and financing for medical and long-term care services  
20 for medicaid eligible individuals will decrease by \$6,754,533.

21 **SECTION 4. Safety clause.** The general assembly hereby finds,  
22 determines, and declares that this act is necessary for the immediate  
23 preservation of the public peace, health, and safety.

24 <{*Does the committee want a safety clause?*}>

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
4.16.18

DRAFT

LLS NO. 18-0857.02 Jennifer Berman x3286

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Broadband Support Mechanism & Deployment"

**A BILL FOR AN ACT**

101      **CONCERNING BROADBAND DEPLOYMENT INTO UNSERVED AREAS OF**  
102                    **THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN**  
103                    **APPROPRIATION.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee. Sections 1 through 4** move the function of deploying broadband grants to unserved areas of the state from the broadband deployment board created in the department of regulatory agencies to the Colorado office of economic development (office). Section 3 also:

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

- Allows public-private partnerships to apply for broadband deployment grant awards;
- Allows nonprofit entities to apply for broadband deployment grant awards for an unserved area if for-profit entities and public-private partnerships have not applied for broadband deployment grant awards in that area. A local government entity may so apply only if the local government entity has been authorized to provide or offer broadband service by a vote of the people served by the local government entity at an election or by statutory exemption.
- Requires the office, on or before September 1, 2018, to establish a reverse auction process for granting broadband deployment grant awards.

**Section 8** appropriates \$8 million from the general fund to the office for the purpose of making broadband deployment grant awards.

**Sections 5 through 7** make conforming amendments.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **amend**  
3 **as amended by Senate Bill 18-002** (25)(a)(VI) as follows:

4 **24-34-104. General assembly review of regulatory agencies**  
5 **and functions for repeal, continuation, or reestablishment - legislative**  
6 **declaration - repeal.** (25) (a) The following agencies, functions, or both,  
7 are scheduled for repeal on September 1, 2024:

8 (VI) The BROADBAND DEPLOYMENT functions of the ~~broadband~~  
9 ~~deployment board created~~ COLORADO OFFICE OF ECONOMIC  
10 DEVELOPMENT AS SET FORTH in ~~section 40-15-509.5~~ PART 4 OF ARTICLE  
11 48.5 OF THIS TITLE 24;

12 **SECTION 2.** In Colorado Revised Statutes, 24-48.5-101, **add**  
13 (2)(i) as follows:

14 **24-48.5-101. Colorado office of economic development -**  
15 **creation - duties - report.** (2) The Colorado office of economic  
16 development shall:

1 (i) IMPLEMENT THE BROADBAND DEPLOYMENT GRANT PROGRAM  
2 PURSUANT TO PART 4 OF THIS ARTICLE 48.5.

3 **SECTION 3.** In Colorado Revised Statutes, **add with amended**  
4 **and relocated provisions** part 4 to article 48.5 of title 24, **as portions of**  
5 **section 40-15-102 and 40-15-509.5 were amended by Senate Bill**  
6 **18-002, Senate Bill 18-104, House Bill 18-1099, and House Bill**  
7 **18-1116, as follows:**

8 PART 4

9 BROADBAND DEPLOYMENT GRANT PROGRAM

10 **24-48.5-401. [Formerly 40-15-509.5 (1)] Short title.** THE SHORT  
11 TITLE OF this ~~section shall be known and may be cited as~~ PART 4 IS the  
12 "Connect Colorado to Enhance Economic Development, Telehealth,  
13 Education, and Safety Act".

14 **24-48.5-402. [Formerly 40-15-509.5 (2)] Legislative**  
15 **declaration.** The general assembly hereby finds, determines, and declares  
16 that to promote the state policy of providing universal access to  
17 broadband service, as set forth in section 40-15-502 (4), it may be  
18 necessary to provide financial assistance through additional support  
19 mechanisms if competition for local exchange services fails to deliver  
20 broadband service throughout the state. ~~"Advanced service" includes~~  
21 ~~"broadband service" for purposes of this section only.~~

22 **24-48.5-403. Definitions.** AS USED IN THIS PART 4, UNLESS THE  
23 CONTEXT OTHERWISE REQUIRES:

24 (1) "ADVANCED SERVICE" INCLUDES BROADBAND SERVICE.

25 (2) **[Formerly 40-15-509.5 (10.5)(c)(I) and (10.6)(d)(I)]**  
26 "Auction rules" refers to the FCC's rules in 47 CFR 54.309 to 54.316,  
27 which rules concern the implementation of the connect America fund

1 phase II auction.

2 (3) "BROADBAND" OR "BROADBAND SERVICE" HAS THE MEANING  
3 SET FORTH IN SECTION 40-15-102 (3.3).

4 (4) "BROADBAND INTERNET SERVICE" HAS THE MEANING SET  
5 FORTH IN SECTION 40-15-102 (3.5).

6 (5) "BROADBAND NETWORK" HAS THE MEANING SET FORTH IN  
7 SECTION 40-15-102 (3.7).

8 (6) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION  
9 CREATED IN SECTION 40-2-101.

10 (7) "COMPETITIVE LOCAL EXCHANGE CARRIER" HAS THE MEANING  
11 SET FORTH IN SECTION 40-15-102 (5.5).

12 (8) **[Formerly 40-15-509.5 (10.6)(d)(II)]** "Connect America  
13 fund" refers to the federal universal service high-cost program that allows  
14 eligible telecommunications providers to recover some of their costs from  
15 the federal government for providing voice and broadband service in  
16 high-cost areas.

17 (9) **[Formerly 40-15-509.5 (10.5)(c)(II)]** "Connect America fund  
18 phase II auction" or "auction" refers to a ten-year auction of federal  
19 money through which the FCC will allocate money, by means of a  
20 competitive bidding process, to telecommunications providers who  
21 commit to providing voice and broadband service in high-cost areas of  
22 the nation in accordance with the FCC's auction rules.

23 (10) (a) "ELIGIBLE APPLICANT" MEANS AN APPLICANT SEEKING  
24 GRANT FUNDING FOR A PROPOSED BROADBAND PROJECT, WHICH  
25 APPLICANT HAS A SUFFICIENT BUSINESS TRACK RECORD TO INDICATE THAT  
26 THE APPLICANT'S OPERATIONS WILL BE SUSTAINABLE AFTER RECEIVING  
27 INFRASTRUCTURE SUPPORT UNDER SECTION 24-48.5-404.

1 (b) THE TERM "ELIGIBLE APPLICANT":

2 (I) IS NOT LIMITED TO FOR-PROFIT ENTITIES AND MAY INCLUDE A  
3 LOCAL GOVERNMENT ENTITY THAT, BY VOTE OF THE PEOPLE AT AN  
4 ELECTION PURSUANT TO SECTION 29-27-201 OR AS EXEMPTED PURSUANT  
5 TO SECTION 29-27-202, IS AUTHORIZED TO PROVIDE OR OFFER TO PROVIDE  
6 ADVANCED SERVICE, AS THAT TERM IS DEFINED IN SECTION 29-27-102 (1);  
7 AND

8 (II) MAY INCLUDE PUBLIC-PRIVATE PARTNERSHIPS.

9 (11) "FCC" MEANS THE FEDERAL COMMUNICATIONS COMMISSION.

10 (12) "HIGH COST SUPPORT MECHANISM" OR "HCSM" MEANS THE  
11 HIGH COST SUPPORT MECHANISM ESTABLISHED PURSUANT TO SECTION  
12 40-15-208.

13 (13) **[Formerly 40-15-509.5 (10.9)(a)]** "Incumbent broadband  
14 provider" means a provider that offers broadband internet service over a  
15 broadband network in an area covered by an application filed pursuant to  
16 ~~this section~~ SECTION 24-48.5-404.

17 (14) "INCUMBENT PROVIDER" HAS THE MEANING SET FORTH IN  
18 SECTION 40-15-102 (9.5).

19 (15) **[Formerly 40-15-102 (17.5)]** "Local entity" means elected  
20 members of a county government, municipal government, school district,  
21 or board of cooperative educational services in an unserved area.

22 (16) "LOCAL EXCHANGE PROVIDER" HAS THE MEANING SET FORTH  
23 IN SECTION 40-15-102 (18).

24 (17) **[Formerly 40-15-509.5 (10.5)(c)(III)]** "New York's petition  
25 for expedited waiver" refers to a petition that the state of New York filed  
26 with the FCC seeking a waiver from the FCC's auction rules with regard  
27 to the rules' limitation prohibiting state entities from applying for federal



1 money through the auction. The FCC granted the waiver request on  
2 January 26, 2017, thus authorizing the state of New York to directly  
3 receive and allocate auction money to broadband projects within the state.

4 (18) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
5 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

6 (19) **[Formerly 40-15-509.5 (10.9)(b)]** "Overbuild" or  
7 "overbuilding" means providing a broadband network to a household or  
8 households that:

9 ~~(H)~~ (a) At the time of application, either have access to a  
10 broadband network or have received federal sources of high cost support  
11 or federal broadband grants to provide access to a broadband network;  
12 and

13 ~~(H)~~ (b) Account for twenty percent or more of the total household  
14 or households to be served by a proposed wireless project.

15 (20) **[Formerly 40-15-509.5 (10.6)(d)(V)]** "Remote areas fund"  
16 refers to a fund created by the FCC as part of its connect America fund  
17 to facilitate broadband deployment in extremely high-cost areas of the  
18 nation.

19 (21) **[Formerly 40-15-102 (32)]** (a) "Unserved area" means an  
20 area of the state that:

21 (I) Lies outside of municipal boundaries or is a city with a  
22 population of fewer than seven thousand five hundred inhabitants; and

23 (II) Consists of households that lack access to at least one  
24 provider of a broadband network that uses satellite technology and at least  
25 one provider of a broadband network that uses nonsatellite technology.

26 (b) "Unserved area" also means any portion of a state or interstate  
27 highway corridor that lacks access to a provider of a broadband network.

1           **24-48.5-404. Broadband service - deployment grants - report**  
2   **- rules - repeal. [Formerly 40-15-509.5] (1) ~~Short title.~~**

3   ~~This section shall be known and may be cited as the "Connect Colorado to Enhance~~  
4   ~~Economic Development, Telehealth, Education, and Safety Act".~~

5           ~~(2) The general assembly hereby finds, determines, and declares~~  
6   ~~that to promote the state policy of providing universal access to~~  
7   ~~broadband service, as set forth in section 40-15-502 (4), it may be~~  
8   ~~necessary to provide financial assistance through additional support~~  
9   ~~mechanisms if competition for local exchange services fails to deliver~~  
10   ~~broadband service throughout the state. "Advanced service" includes~~  
11   ~~"broadband service" for purposes of this section only.~~

12           ~~(3) (1) The commission may allocate the Colorado high cost~~  
13   ~~support mechanism established under section 40-15-208, and referred to~~  
14   ~~in this section as the "HCSM", for the deployment of broadband service~~  
15   ~~in unserved areas of the state pursuant to this section and section~~  
16   ~~40-15-208 only. The commission may fund the deployment of broadband~~  
17   ~~service in unserved areas of the state through use of the HCSM surcharge~~  
18   ~~and surcharge rate in effect on January 1, 2018. Pursuant to subsection (4)~~  
19   ~~of this section and~~ Consistent with sections 40-15-207 and 40-15-208, the  
20   commission shall determine funds available for broadband deployment  
21   ~~and the administration of the board~~ as prescribed in section 40-15-208 or  
22   from the HCSM money that it determines is no longer required by the  
23   HCSM to support universal basic service through an effective  
24   competition determination. The money available for broadband  
25   deployment shall be maintained by the HCSM third-party contractor and  
26   held in a separate account from money used for basic voice service.  
27   Money held for broadband deployment shall not be disbursed for basic

1 voice service, and money held for basic voice service shall not be  
2 disbursed for broadband deployment. The commission shall only disburse  
3 money for broadband deployment grants from the HCSM as directed by  
4 the ~~board~~ OFFICE. Nothing in this section increases any surcharge rate  
5 charged to help fund the HCSM.

6 ~~(4) (a) There is hereby created in the state treasury the broadband~~  
7 ~~administrative fund, referred to in this section as the "fund". The fund~~  
8 ~~consists of all money allocated from the HCSM for the administration of~~  
9 ~~the board and all money that the general assembly may appropriate to the~~  
10 ~~fund. The money in the fund is subject to annual appropriation by the~~  
11 ~~general assembly for the purposes set forth in this section. All interest~~  
12 ~~earned from the investment of money in the fund is credited to the fund.~~  
13 ~~All money not expended at the end of the fiscal year remains in the fund~~  
14 ~~and does not revert to the general fund or any other fund.~~

15 ~~(b) Repealed.~~

16 ~~(5) (a) (2) There is hereby created in the department of regulatory~~  
17 ~~agencies the broadband deployment board, referred to in this section as~~  
18 ~~the "board". The board is an independent board created to~~ OFFICE SHALL  
19 implement and administer the deployment of broadband service in  
20 unserved areas ~~The department of regulatory agencies shall staff the~~  
21 ~~board. The board~~ AND has the powers and duties specified in this section.

22 ~~(b) The board consists of sixteen members, fifteen of whom are~~  
23 ~~voting members. The members of the board shall be selected on the basis~~  
24 ~~of their knowledge of and interest in broadband service and shall serve~~  
25 ~~for four-year terms. A member of the board shall not serve more than two~~  
26 ~~consecutive full four-year terms.~~

27 ~~(c) No more than eight voting members of any one major political~~

1 party may serve on the board at the same time. Members of the board are  
2 entitled to ~~seventy-five dollars per diem for attendance at official~~  
3 ~~meetings plus actual and necessary expenses incurred in the conduct of~~  
4 ~~official business. Members of the board shall be appointed as follows:~~

5 (I) ~~At least one member from the commission; one member from~~  
6 ~~the Colorado office of economic development and international trade in~~  
7 ~~the office of the governor; one member from the department of local~~  
8 ~~affairs, created in section 24-1-125, C.R.S.; and one member from the~~  
9 ~~office of information technology, created in section 24-37.5-103, C.R.S.,~~  
10 ~~as appointed by the governor. The governor shall select three of these~~  
11 ~~four appointees to serve as voting members of the board.~~

12 (II) ~~Three voting members representing local entities:~~

13 (A) ~~One of whom is a county commissioner, as appointed by the~~  
14 ~~president of the senate in consultation with Colorado Counties, Inc.;~~

15 (B) ~~One of whom is a mayor or city councilperson, as appointed~~  
16 ~~by the speaker of the house of representatives in consultation with the~~  
17 ~~Colorado municipal league; and~~

18 (C) ~~One of whom is any other representative of a local entity and~~  
19 ~~who has a background in broadband service and expertise in rural~~  
20 ~~economic development, education, or telemedicine, as appointed by the~~  
21 ~~minority leader of the senate;~~

22 (III) ~~Seven voting members representing the broadband industry:~~

23 (A) ~~One of whom represents a wireless provider, as appointed by~~  
24 ~~the minority leader of the house of representatives;~~

25 (B) ~~One of whom represents a wireline provider, as appointed by~~  
26 ~~the minority leader of the senate;~~

27 (C) ~~One of whom represents a broadband satellite provider, as~~

1 appointed by the governor;

2 ~~(D) One of whom represents a cable provider, as appointed by the~~  
3 ~~president of the senate;~~

4 ~~(E) One of whom represents a rural local exchange carrier, as~~  
5 ~~appointed by the governor;~~

6 ~~(F) One of whom represents a competitive local exchange carrier,~~  
7 ~~as appointed by the speaker of the house of representatives; and~~

8 ~~(G) One of whom represents a cable provider serving rural areas,~~  
9 ~~as appointed by the president of the senate; and~~

10 ~~(IV) Two voting members of the public:~~

11 ~~(A) One of whom resides in an unserved area of the western slope~~  
12 ~~of the state, as appointed by the speaker of the house of representatives;~~  
13 ~~and~~

14 ~~(B) One of whom resides in an unserved area of the eastern slope~~  
15 ~~of the state, as appointed by the minority leader of the house of~~  
16 ~~representatives.~~

17 ~~(C) Repealed.~~

18 ~~(d) The board shall meet as often as necessary to carry out its~~  
19 ~~duties as defined in this section.~~

20 ~~(e) The term of any member of the board who misses more than~~  
21 ~~two consecutive regular board meetings without good cause shall be~~  
22 ~~terminated, and his or her successor shall be appointed in the manner~~  
23 ~~provided for appointments under this section.~~

24 ~~(f) (I) If a board member has a conflict of interest with respect to~~  
25 ~~any matter addressed by the board, including a financial interest in the~~  
26 ~~matter, the member shall recuse himself or herself from any discussion or~~  
27 ~~decisions on the matter.~~

1           ~~(H) (A) A board member appointed pursuant to subsection~~  
2           ~~(5)(c)(I), (5)(c)(II), or (5)(c)(IV) of this section is not deemed to have a~~  
3           ~~conflict of interest merely by virtue of residing in or representing an~~  
4           ~~unserved area or an area that is the subject of an application before the~~  
5           ~~board.~~

6           ~~(B) A board member appointed pursuant to subsection (5)(c)(III)~~  
7           ~~of this section is deemed to have a conflict of interest with respect to an~~  
8           ~~application filed by an entity that the board member represents; however,~~  
9           ~~if such application is filed, the board member may still participate in~~  
10           ~~discussions about other applications before the board, but shall not vote~~  
11           ~~on those other applications.~~

12           ~~(g) In the event of a tie vote of the board, the application, appeal,~~  
13           ~~proposition, or other matter being voted upon fails.~~

14           ~~(6) Repealed.~~

15           ~~(7) (3) The board~~ OFFICE shall provide notice to and requests for  
16 proposals from incumbent providers, incumbent broadband providers, and  
17 local entities about the ~~board's~~ OFFICE's purpose to deploy broadband  
18 service in unserved areas. The ~~board~~ OFFICE shall ensure that both the  
19 manner and amount of notice provided under this subsection ~~(7) (3)~~ are  
20 adequate and equitable for all potentially eligible applicants.

21           ~~(8) (4) The board~~ OFFICE shall direct the commission to transfer  
22 money, in a manner consistent with this section, from the account for  
23 broadband deployment established in the HCSM to approved grant  
24 applicants. The ~~board~~ OFFICE shall develop criteria for awarding money  
25 for new projects into unserved areas, including:

26           (a) UNTIL THE OFFICE DEVELOPS A REVERSE AUCTION PROCESS IN  
27 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION, developing a project

1 application process that places the burden on an eligible applicant to  
2 demonstrate that its proposed project meets the project eligibility criteria  
3 established in this subsection ~~(8)~~ (4), including a requirement that the  
4 proposal concern a new project, and not a project already in progress, and  
5 a requirement to prove that the area to be served by the proposed project  
6 is an unserved area. To prove that the area to be served is an unserved  
7 area, the applicant must submit a map and a list of household addresses  
8 demonstrating the insufficient availability of broadband service in the  
9 area. The applicant must submit the application, map, and list of  
10 household addresses to the ~~board~~ OFFICE; the board of county  
11 commissioners, city council, or other local entity with authority over the  
12 area to be served; and all incumbent providers or incumbent broadband  
13 providers that provide broadband internet service or broadband service in  
14 the area proposed to be served in the application. The ~~board~~ OFFICE shall  
15 establish a notice and comment period of at least sixty days within which  
16 the local entity may review and comment on the application.

17 (b) Developing a methodology for determining whether a  
18 proposed project will serve unserved areas;

19 (c) Denying funding for applications that overbuild areas  
20 receiving federal sources of high cost support or federal broadband grants  
21 for construction of a broadband network that will be completed within  
22 twenty-four months after the date that the applicant filed the application  
23 so as to maximize the total available state and federal support for rural  
24 broadband development. An incumbent broadband provider receiving  
25 federal funds must submit to the ~~board~~ OFFICE an affidavit from a  
26 company officer that the build-out will be completed within the  
27 twenty-four-month period. Upon completion of the project, an incumbent

1 broadband provider will provide documentation to the ~~board~~ OFFICE that  
2 demonstrates that the unserved addresses meet the minimum download  
3 and upload speeds established in the FCC's definition of high-speed  
4 internet access or broadband. If the incumbent broadband provider fails  
5 to meet the commitment made in the affidavit filed, the ~~board~~ OFFICE may  
6 award a grant to another provider to provide service for the addresses that  
7 remain unserved.

8 ~~(c.5)~~ (d) Denying funding for overbuilding of existing broadband  
9 networks in order to maximize the total available support for financing  
10 rural broadband development;

11 ~~(d)~~ (e) Ensuring that a proposed project includes:

12 (I) Access to measurable speeds of at least ten megabits per  
13 second downstream and one megabit per second upstream or measurable  
14 speeds at least equal to the FCC's definition of high-speed internet access  
15 or broadband, whichever is faster;

16 (II) Independent funding secured for at least twenty-five percent  
17 of the total cost of the proposed project; and

18 (III) A requirement to utilize any award granted from the fund for  
19 infrastructure purposes only and not for operations;

20 ~~(e)~~ (f) Providing additional consideration for proposed projects  
21 that include at least some of the following factors:

22 (I) Proposed projects that provide service to residential and  
23 business addresses that lack broadband internet service at measurable  
24 speeds of at least ten megabits per second downstream and one megabit  
25 per second upstream;

26 (II) Proposed projects that are endorsed by local entities interested  
27 in obtaining broadband internet service in unserved areas of the state;



1           ~~(III) Proposed projects that have speeds of at least ten megabits~~  
2 ~~per second downstream and one megabit per second upstream or~~  
3 ~~measurable speeds at least equal to the FCC's definition of high-speed~~  
4 ~~internet access or broadband, whichever is faster; <{~~ **This language was**  
5 **added by amendment in SB 18-002, but it duplicates language already**  
6 **in subsection (8)(d)(I). Therefore, this language can be repealed.**>

7           ~~(IV)~~ (III) Proposed projects for which the applicant has an  
8 established record of operation in the area of the grant application; and

9           ~~(V)~~ (IV) Proposed projects providing last-mile broadband service,  
10 which is defined as the portion of broadband service that delivers an  
11 internet connection to an end user that lacks access to broadband service  
12 at measurable speeds greater than fifty-six kilobits per second;

13           ~~(f)~~ (g) Providing an assessment of the following factors:

14           (I) Whether the proposed project will provide services via a  
15 licensed or unlicensed means of transmission;

16           (II) The cost-effectiveness of the proposed project's proposed  
17 method for expanding broadband internet service into unserved areas; and

18           (III) The reliability of the network providing broadband services;

19           ~~(g)~~ ~~(f)~~ (h) (I) With regard to an applicant that has submitted a  
20 proposed project to the ~~board~~ OFFICE, affording each incumbent provider  
21 in the area that is not providing access to a broadband network in the  
22 unserved area a right of first refusal regarding the implementation of a  
23 project in the unserved area.

24           (II) If an incumbent provider proposes a project for the area, the  
25 incumbent provider commits to providing access to a broadband network:

26           (A) Within one year after the applicant's submission of a proposed  
27 project;

1 (B) At demonstrated downstream and upstream speeds equal to or  
2 faster than the speeds indicated in the applicant's proposed project; and

3 (C) At a cost per household in the area to be served that is equal  
4 to or less than the cost per household indicated in the applicant's proposed  
5 project. <{*This subsection (4)(h) has been updated to incorporate the*  
6 *language of HB 18-1099, which, along with SB 18-002, was signed by*  
7 *the governor on April 2.*>

8 ~~(h)~~ (i) Ensuring that broadband service grant awards are not  
9 provided in areas other than unserved areas;

10 ~~(i)~~ (j) In the case of a franchise agreement, ensuring that  
11 broadband service grant awards are not provided in areas with a  
12 population density large enough to require service under an existing  
13 franchise agreement;

14 (k) ALLOWING A PUBLIC ENTITY, INCLUDING A LOCAL  
15 GOVERNMENT ENTITY THAT IS AN ELIGIBLE APPLICANT, TO APPLY TO  
16 SERVE AN UNSERVED AREA ONLY IF NO PRIVATE, FOR-PROFIT ENTITY OR  
17 PUBLIC-PRIVATE PARTNERSHIP HAS YET APPLIED FOR APPROVAL OF A  
18 PROJECT TO SERVE THAT UNSERVED AREA;

19 ~~(j)~~ (l) Establishing a grant award process that:

20 (I) Allows an applicant to apply for grants on multiple projects in  
21 a given year if the applicant makes a separate application for each project.  
22 The ~~board~~ OFFICE may approve more than one of the applicant's projects  
23 within a single year.

24 (II) Ensures the geographically equitable distribution of grant  
25 awards;

26 (III) Provides for an appeals process for any party aggrieved by an  
27 award or denial of grant money, whether exercising a right of first refusal,

1 having filed any comments regarding the initial grant application, or both.  
2 If a provider of broadband service or a broadband network that alleges  
3 funding provided pursuant to this section will overbuild the provider's  
4 broadband network, the provider is an aggrieved party with standing to  
5 appeal under this subsection ~~(8)(j)(HH)~~ (4)(l)(III).

6 (IV) Requires the ~~board~~ OFFICE to consider appeals alleging that  
7 the application area is no longer unserved because federal support  
8 improves a broadband network for service locations that are adjacent to  
9 the area receiving the federal award and are within the application area.

10 ~~(k)~~ (m) Establishing reporting and accountability requirements for  
11 a project receiving financial support from the fund, including contractual  
12 requirements that:

13 (I) The applicant secure a performance bond for the project, as  
14 appropriate;

15 (II) The applicant demonstrate an ability to provide broadband  
16 service at a reasonable cost per household in the area to be served by the  
17 proposed project;

18 (III) The applicant demonstrate an ability to complete the  
19 proposed project within a reasonable time, not to exceed two years, unless  
20 delayed by a government entity; and

21 (IV) Prohibit an applicant from using grant award ~~moneys~~ MONEY  
22 to offer, provide, or sell broadband services in an area not meeting the  
23 definition of unserved area.

24 ~~(8.5)(a)~~ (5) (a) The ~~board~~ OFFICE shall deny an application that  
25 contains an area that does not meet the definition of unserved area and  
26 shall grant an appeal to an incumbent broadband provider that  
27 demonstrates, by a preponderance of the evidence, that an area covered

1 by an application does not meet the definition of unserved area.

2 (b) If all other application requirements remain met, an  
3 application may be amended at any time to remove from the application  
4 coverage of an area that does not meet the criteria established pursuant to  
5 this section. Alternatively, the ~~board~~ OFFICE may award a partial grant for  
6 an area that does meet the criteria.

7 (6) (a) NOTWITHSTANDING SUBSECTION (4)(a) OF THIS SECTION,  
8 THE OFFICE, ON OR BEFORE SEPTEMBER 1, 2018, SHALL IMPLEMENT A  
9 REVERSE AUCTION PROCESS FOR DISTRIBUTING BROADBAND DEPLOYMENT  
10 GRANTS IN ACCORDANCE WITH THIS SECTION. TO EFFECTUATE THIS  
11 SUBSECTION (6), THE OFFICE MAY IMPOSE ON REVERSE AUCTION  
12 APPLICANTS AND ON WINNING BIDDERS REQUIREMENTS THAT ARE IN  
13 ADDITION TO, OR DISTINCT FROM, THE REQUIREMENTS SET FORTH IN THIS  
14 SECTION.

15 (b) THE OFFICE SHALL PROVIDE AT LEAST THIRTY DAYS' NOTICE ON  
16 ITS WEBSITE OF THE REVERSE AUCTION PROCESS BEFORE THE PROCESS IS  
17 IMPLEMENTED AND SHALL PROVIDE LINKS TO ANY MAPS AND FORMS THAT  
18 THE OFFICE DEVELOPS TO FACILITATE THE PROCESS.

19 (c) ANY APPLICATION RECEIVED BY THE OFFICE BEFORE THE  
20 REVERSE AUCTION PROCESS IS IMPLEMENTED THAT IS STILL PENDING AT  
21 THE TIME THAT THE REVERSE AUCTION PROCESS IS IMPLEMENTED SHALL  
22 NOT BE DENIED SOLELY ON THE BASIS THAT THE APPLICATION DOES NOT  
23 MEET THE REQUIREMENTS THE OFFICE ESTABLISHES FOR THE REVERSE  
24 AUCTION PROCESS. RATHER, THE OFFICE MAY ASK THE APPLICANT TO  
25 SUPPLEMENT THE APPLICANT'S APPLICATION IN ACCORDANCE WITH THE  
26 REQUIREMENTS THE OFFICE ESTABLISHES FOR THE REVERSE AUCTION  
27 PROCESS.

1           ~~(9) (a)~~ (7) (a) The ~~board~~ OFFICE shall report annually to the  
2 transportation and energy committee and the business affairs and labor  
3 committee in the house of representatives and to the agriculture, natural  
4 resources, and energy committee and THE business, labor, and technology  
5 committee in the senate, or their successor committees, on the projects  
6 supported by money from the HCSM account dedicated to broadband  
7 deployment in a given year, including information on:

- 8           (I) The number of projects;
- 9           (II) The location of each project;
- 10          (III) The amount of funding received for each project; and
- 11          (IV) A description of each project.

12          (b) Notwithstanding section 24-1-136 (11), ~~C.R.S.~~, the report  
13 required under this subsection ~~(9) (7)~~ continues indefinitely.

14          ~~(10) (8)~~ Local entities are encouraged to cooperate with respect  
15 to time lines and permit fees concerning projects in their geographic area.

16          ~~(10.5) (a)~~ (9) (a) The ~~board~~ OFFICE may apply for federal funding  
17 of broadband deployment projects and programs. The HCSM third-party  
18 contractor shall maintain any federal money awarded for broadband  
19 deployment in a separate account of the HCSM that is dedicated to  
20 allocating federal broadband deployment money. The commission is  
21 authorized to disburse any money from the account as directed by the  
22 ~~board~~ OFFICE.

23          (b) (I) Following the model of New York's petition for expedited  
24 waiver, the ~~board~~ OFFICE shall immediately petition the FCC for a waiver  
25 from the auction rules that prohibit a state entity from applying for  
26 connect America fund phase II auction money to allow the ~~board~~ OFFICE  
27 itself to allocate auction money for broadband deployment projects

1 approved by the ~~board~~ OFFICE.

2 (II) After submitting the petition to the FCC, the ~~board~~ OFFICE  
3 may:

4 (A) File any additional documentation that the FCC requires of the  
5 ~~board~~ OFFICE in considering the ~~board's~~ OFFICE'S petition; and

6 (B) Coordinate with the FCC to develop any conditions that the  
7 FCC might require to grant the petition.

8 (III) If the FCC grants the ~~board's~~ OFFICE'S petition and awards the  
9 ~~board~~ OFFICE auction money:

10 (A) The HCSM third-party contractor shall maintain any federal  
11 money awarded from the auction in the separate account of the HCSM  
12 described in subsection ~~(10.5)(a)~~ (9)(a) of this section; and

13 (B) The commission is authorized to disburse the federal money  
14 in that account for broadband deployment grants as directed by the ~~board~~  
15 OFFICE.

16 (IV) The ~~board~~ OFFICE may coordinate with the FCC to comply  
17 with any conditions established by the FCC in granting the petition. If any  
18 such FCC conditions impose project eligibility, application process, OR  
19 award criteria or other requirements that are distinct from the  
20 requirements set forth in this section or established by the ~~board~~ OFFICE  
21 pursuant to this section, the commission may, by rule and in consultation  
22 with the ~~board~~ OFFICE, establish requirements that comply with the FCC's  
23 conditions; except that any requirements established by the commission  
24 by rule pursuant to this subsection ~~(10.5)(b)~~ (9)(b) must apply only to  
25 broadband deployment projects that are eligible to receive auction money.

26 ~~(c) As used in this subsection (10.5):~~

27 ~~(f) "Auction rules" refers to the FCC's rules in 47 CFR 54.309 to~~

1 54.316, which rules concern the implementation of the connect America  
2 fund phase II auction.

3 (H) "~~Connect America fund phase II auction~~" or "~~auction~~" refers  
4 to a ~~ten-year auction of federal money through which the FCC will~~  
5 ~~allocate money, by means of a competitive bidding process, to~~  
6 ~~telecommunications providers who commit to providing voice and~~  
7 ~~broadband service in high-cost areas of the nation in accordance with the~~  
8 ~~FCC's auction rules.~~

9 (HH) "~~New York's petition for expedited waiver~~" refers to a  
10 ~~petition that the state of New York filed with the FCC seeking a waiver~~  
11 ~~from the FCC's auction rules with regard to the rules' limitation~~  
12 ~~prohibiting state entities from applying for federal money through the~~  
13 ~~auction. The FCC granted the waiver request on January 26, 2017, thus~~  
14 ~~authorizing the state of New York to directly receive and allocate auction~~  
15 ~~money to broadband projects within the state.~~ <{**This subsection (9.5)**  
16 **incorporates language added by HB 18-1116. The definitions in**  
17 **subsection (10.5)(c) have been stricken here and added to the general**  
18 **definitions section - 24-48.5-403.**>

19 (10.6) (a) (F) (10) (a) (I) Following the model of New York's  
20 petition for expedited waiver, the ~~board~~ OFFICE, on or before January 1,  
21 2019, shall petition the FCC for a waiver from the FCC's rules concerning  
22 the remote areas fund to seek FCC authorization for the ~~board~~ OFFICE to  
23 itself allocate remote areas fund money for broadband deployment  
24 projects in Colorado.

25 (II) After submitting the petition to the FCC, the ~~board~~ OFFICE  
26 may:

27 (A) File any additional documentation that the FCC requires of the

1 ~~board~~ OFFICE in considering the ~~board's~~ OFFICE'S petition; and

2 (B) Coordinate with the FCC to develop any conditions that the  
3 FCC might require to grant the petition.

4 (b) If the FCC denies the ~~board's~~ OFFICE'S petition, the ~~board~~  
5 OFFICE shall not file a new petition or otherwise subsequently apply for  
6 money from the remote areas fund.

7 (c) If the FCC grants the ~~board's~~ OFFICE'S petition:

8 (I) The HCSM third-party contractor shall maintain any federal  
9 money awarded through the remote areas fund in a separate account of  
10 the HCSM that is dedicated to allocating the federal money in compliance  
11 with any conditions established by the FCC in granting the petition;

12 (II) The commission is authorized to disburse the federal money  
13 in that account for broadband deployment grants as authorized by the  
14 ~~board~~ OFFICE and in compliance with any conditions established by the  
15 FCC in granting the petition; and

16 (III) The ~~board~~ OFFICE is authorized to coordinate with the FCC  
17 to comply with any conditions established by the FCC in granting the  
18 petition. If any such FCC conditions impose project eligibility,  
19 application process, OR award criteria or other requirements that are  
20 distinct from the requirements set forth in this section or established by  
21 the ~~board~~ OFFICE pursuant to this section, the commission may, by rule  
22 and in consultation with the ~~board~~ OFFICE, establish requirements that  
23 comply with the FCC's conditions; except that any requirements  
24 established by the commission by rule pursuant to this subsection ~~(10.6)~~  
25 (10) must apply only to broadband deployment projects that are eligible  
26 to receive the federal remote areas fund money.

27 (d) ~~As used in this subsection (10.6):~~



1           ~~(I) "Auction rules" refers to the FCC's rules in 47 CFR 54.309 to~~  
2           ~~54.316, which rules concern the implementation of the connect America~~  
3           ~~fund phase II auction.~~

4           ~~(II) "Connect America fund" refers to the federal universal service~~  
5           ~~high-cost program that allows eligible telecommunications providers to~~  
6           ~~recover some of their costs from the federal government for providing~~  
7           ~~voice and broadband service in high-cost areas.~~

8           ~~(III) "Connect America phase II auction" refers to a ten-year~~  
9           ~~auction of federal money through which the FCC will allocate money~~  
10           ~~through a competitive bidding process to telecommunications providers~~  
11           ~~who commit to providing voice and broadband service in high-cost areas~~  
12           ~~of the nation in accordance with the FCC's auction rules.~~

13           ~~(IV) "New York's petition for expedited waiver" refers to a~~  
14           ~~petition that the state of New York filed with the FCC seeking a waiver~~  
15           ~~from the FCC's auction rules, which waiver the FCC granted on January~~  
16           ~~26, 2017.~~

17           ~~(V) "Remote areas fund" refers to a fund created by the FCC as~~  
18           ~~part of its connect America fund to facilitate broadband deployment in~~  
19           ~~extremely high-cost areas of the nation. <{This subsection (10)~~  
20           ~~incorporates language added by SB 18-104. The definitions in~~  
21           ~~subsection (10.6)(d) have been stricken here and added to the general~~  
22           ~~definitions section - 24-48.5-403.>~~

23           ~~(10.7)~~ (11) The board OFFICE shall make every effort to ensure  
24           that a project funded pursuant to this section does not overbuild any  
25           project supported or approved by the department of local affairs.

26           ~~(10.9) As used in this section:~~

27           (a) "Incumbent broadband provider" means a provider that offers

1 broadband internet service over a broadband network in an area covered  
2 by an application filed pursuant to this section.

3 (b) "Overbuild" or "overbuilding" means providing a broadband  
4 network to a household or households that:

5 (I) ~~At the time of application, either have access to a broadband~~  
6 ~~network or have received federal sources of high cost support or federal~~  
7 ~~broadband grants to provide access to a broadband network; and~~

8 (II) ~~Account for twenty percent or more of the total household or~~  
9 ~~households to be served by a proposed wireless project. <{~~*These*  
10 *definitions were added by amendment in SB 18-002. I've moved them*  
11 *to the definition section being added in this bill - section 24-48.5-403 -*  
12 *to be with the other definitions that apply to this new part 4.*>~~}~~

13 **24-48.5-405. [Formerly 40-15-509.5 (11)] Repeal of part.** This  
14 ~~section~~ PART 4 is repealed, effective September 1, 2024. Before its repeal,  
15 the powers, duties, and functions of the ~~board~~ OFFICE regarding the  
16 deployment of broadband services into unserved areas are scheduled for  
17 review in accordance with section 24-34-104.

18 **SECTION 4. Repeal of relocated provisions in this act.** In  
19 Colorado Revised Statutes, **repeal** 40-15-509.5.

20 **SECTION 5.** In Colorado Revised Statutes, 40-15-102, **repeal**  
21 (6.7), (17.5), and (32)(b); and **repeal as amended by Senate Bill 18-002**  
22 (32)(a) as follows:

23 **40-15-102. Definitions.** As used in this article 15, unless the  
24 context otherwise requires:

25 (6.7) ~~"Eligible applicant" means an applicant seeking grant~~  
26 ~~funding for a proposed broadband project under section 40-15-509.5 with~~  
27 ~~a sufficient business track record to indicate that the applicant's~~

1 operations will be sustainable after receiving infrastructure support under  
2 ~~section 40-15-509.5. The term is limited to for-profit entities; except that~~  
3 ~~a nonprofit telephone cooperative, including its affiliates and subsidiaries,~~  
4 ~~or a nonprofit rural electric association that existed on May 10, 2014,~~  
5 ~~qualifies as an "eligible applicant". The term is not limited to a current~~  
6 ~~recipient of high cost support mechanism funds.~~

7 (17.5) ~~"Local entity" means elected members of a county~~  
8 ~~government, municipal government, school district, or board of~~  
9 ~~cooperative educational services in an unserved area.~~

10 (32) (a) ~~"Unserved area" means an area of the state that:~~

11 (I) ~~Lies outside of municipal boundaries or is a city with a~~  
12 ~~population of fewer than seven thousand five hundred inhabitants; and~~

13 (II) ~~Consists of households that lack access to at least one~~  
14 ~~provider of a broadband network that uses satellite technology and at least~~  
15 ~~one provider of a broadband network that uses nonsatellite technology.~~

16 (b) ~~"Unserved area" also means any portion of a state or interstate~~  
17 ~~highway corridor that lacks access to a provider of a broadband network.~~

18 **SECTION 6.** In Colorado Revised Statutes, 40-15-208, **amend**  
19 **as amended by Senate Bill 18-002** (2)(a)(I)(B) as follows:

20 **40-15-208. High cost support mechanism - Colorado high cost**  
21 **administration fund - broadband support mechanism - creation -**  
22 **purpose - operation - rules - report - repeal.** (2) (a) (I) The  
23 commission is hereby authorized to establish a mechanism for the support  
24 of universal service, also referred to in this section as the "high cost  
25 support mechanism", which must operate in accordance with rules  
26 adopted by the commission. The primary purpose of the high cost support  
27 mechanism is to provide financial assistance as a support mechanism to:

1 (B) Provide access to broadband service in unserved areas  
2 pursuant to this section and section ~~40-15-509.5~~ **24-48.5-404** only.

3 **SECTION 7.** In Colorado Revised Statutes, 40-15-502, **amend**  
4 **as amended by Senate Bill 18-002** (5)(a) as follows:

5 **40-15-502. Expressions of state policy. (5) Universal service**  
6 **support mechanisms.** (a) In order to accomplish the goals of universal  
7 basic service, universal access to advanced service under section  
8 ~~40-15-509.5~~ **24-48.5-404**, and any revision of the definition of basic  
9 service under subsection (2) of this section, the commission shall create  
10 a system of support mechanisms to assist in the provision of basic service  
11 and advanced service in high-cost areas. The commission shall fund these  
12 support mechanisms equitably and on a nondiscriminatory, competitively  
13 neutral basis through assessments, which may include a rate element, on  
14 all telecommunications providers in Colorado. A provider's eligibility to  
15 receive support for basic service under the support mechanisms is  
16 conditioned upon the provider's offering basic service throughout an  
17 entire support area.

18 **SECTION 8. Appropriation.** For the 2018-19 state fiscal year,  
19 \$8,000,000 is appropriated to the Colorado office of economic  
20 development in the office of the governor. This appropriation is from the  
21 general fund. To implement this act, the Colorado office of economic  
22 development may use this appropriation for the purpose of making  
23 broadband deployment grant awards.

24 **SECTION 9. Safety clause.** The general assembly hereby finds,  
25 determines, and declares that this act is necessary for the immediate  
26 preservation of the public peace, health, and safety.

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

REDRAFT

4.3.18

Double underlining  
denotes changes from  
prior draft

DRAFT

LLS NO. 18-1068.01 Jerry Barry x4341

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Evidence-based Review Of State Programs"

**A BILL FOR AN ACT**

101     **CONCERNING EVIDENCE-BASED REVIEW OF STATE PROGRAMS BY A**  
102             **LABORATORY AT AN INSTITUTION OF HIGHER EDUCATION, AND,**  
103             **IN CONNECTION THEREWITH, MAKING AND REDUCING**  
104             **APPROPRIATIONS.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill authorizes the legislative council to enter into a contract with a qualified laboratory at an institution of higher education (laboratory) in the state to perform evidence-based

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

performance analyses and evaluations (evaluations) on state programs. The laboratory shall first establish definitions to be used in its evaluations.

The bill:

- Authorizes a member of the general assembly to request that an evaluation of a state program be conducted by the laboratory;
- Directs the laboratory to provide an estimate of the costs of each requested evaluation;
- Authorizes the legislative council to prioritize and approve requests for evaluations subject to available appropriations;
- Subject to available appropriations, authorizes the executive committee of the legislative council to approve requests for evaluations while the general assembly is not in session;
- Directs that time frames for requests are to be established in the joint rules of the senate and the house of representatives;
- Repeals the evidence-based practices implementation for capacity program in the division of criminal justice in the department of public safety; and
- Makes and reduces appropriations.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 20 to article  
3 2 of title 2 as follows:

4 **PART 20**

5 **EVIDENCE-BASED PERFORMANCE**

6 **ANALYSIS OR EVALUATION**

7 **2-2-2001. Performance analysis and evaluation - contract -**  
8 **definitions.** (1) ON OR BEFORE SEPTEMBER 1, 2018, THE LEGISLATIVE  
9 COUNCIL SHALL ENTER INTO A CONTRACT WITH A QUALIFIED LABORATORY  
10 IN AN INSTITUTION OF HIGHER EDUCATION WITHIN THE STATE, REFERRED  
11 TO IN THIS PART 20 AS THE "LABORATORY", TO PERFORM EVIDENCE-BASED  
12 PERFORMANCE ANALYSES AND EVALUATIONS OF STATE PROGRAMS USING  
13 DEFINITIONS ESTABLISHED IN ACCORDANCE WITH SUBSECTION (2) OF THIS

1 SECTION.

2 (2) (a) ON OR BEFORE JANUARY 1, 2019, THE LABORATORY SHALL  
3 NOTIFY THE LEGISLATIVE COUNCIL AND THE JOINT BUDGET COMMITTEE OF  
4 THE DEFINITIONS TO BE USED WHEN PERFORMING AN ANALYSIS OR  
5 EVALUATION. THE DEFINITIONS MUST INCLUDE DEFINITIONS FOR:

- 6 (I) EVIDENCE-BASED;  
7 (II) RANDOMIZED CONTROL;  
8 (III) QUASI-EXPERIMENTAL; AND  
9 (IV) PROMISING PRACTICE.

10 (b) NO LATER THAN JANUARY 31, 2019, THE LABORATORY SHALL  
11 APPEAR BEFORE THE JOINT BUDGET COMMITTEE TO DESCRIBE THE  
12 PROCESSES THAT IT WILL USE TO CONDUCT ANALYSES AND EVALUATIONS  
13 AND DISCUSS ITS DEFINITIONS.

14 **2-2-2002. Requests for performance analysis or evaluation.**

15 (1) STARTING WITH THE 2019 REGULAR SESSION OF THE GENERAL  
16 ASSEMBLY, NO LATER THAN A DAY CERTAIN OF A REGULAR LEGISLATIVE  
17 SESSION AS ESTABLISHED IN THE JOINT RULES OF THE SENATE AND HOUSE  
18 OF REPRESENTATIVES, A LEGISLATIVE MEMBER MAY SUBMIT A REQUEST IN  
19 WRITING TO THE LEGISLATIVE COUNCIL CREATED IN SECTION 2-3-301 (1)  
20 REGARDING THE STATE PROGRAM FOR WHICH HE OR SHE WISHES TO HAVE  
21 THE LABORATORY PERFORM AN EVIDENCE-BASED PERFORMANCE  
22 ANALYSIS OR EVALUATION DURING THE NEXT INTERIM BETWEEN SESSIONS.  
23 AT MINIMUM, THE REQUEST MUST SPECIFY:

- 24 (a) THE STATE PROGRAM TO BE ANALYZED OR EVALUATED;  
25 (b) WHETHER THE PROGRAM IS SUBJECT TO A REVIEW BY THE  
26 DEPARTMENT OF REGULATORY AGENCIES PURSUANT TO SECTION 2-3-1203  
27 OR 24-34-104 AND, IF SO, WHEN THE LAST REVIEW WAS CONDUCTED AND

1 WHEN THE NEXT REVIEW IS SCHEDULED;

2 (c) THE PURPOSE OF THE ANALYSIS AND WHY IT IS APPROPRIATE TO  
3 CONDUCT THE ANALYSIS OR EVALUATION AT THIS TIME; AND

4 (d) WHEN THE ANALYSIS SHOULD BE COMPLETED AND WHICH  
5 COMMITTEES OF REFERENCE SHOULD BE NOTIFIED OF THE RESULTS.

6 (2) THE LEGISLATIVE COUNCIL STAFF SHALL FORWARD COPIES OF  
7 THE REQUESTS TO THE LABORATORY FOR AN ESTIMATE OF THE COSTS OF  
8 THE ANALYSIS OR EVALUATION. THE LABORATORY SHALL PROVIDE  
9 ESTIMATES OF THE COSTS OF EACH REQUEST SUBMITTED PURSUANT TO  
10 SUBSECTION (1) OF THIS SECTION BY A DATE ESTABLISHED IN THE JOINT  
11 RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.

12 (3) NO LATER THAN A DAY CERTAIN OF A REGULAR LEGISLATIVE  
13 SESSION AS ESTABLISHED IN THE JOINT RULES OF THE SENATE AND HOUSE  
14 OF REPRESENTATIVES, THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE  
15 COUNCIL SHALL DETERMINE THE AMOUNT OF MONEY AVAILABLE WITHIN  
16 THE LEGISLATIVE BUDGET FOR ANALYSES AND EVALUATIONS BY THE  
17 LABORATORY AND SHALL PROVIDE THAT INFORMATION TO THE EXECUTIVE  
18 COMMITTEE OF THE LEGISLATIVE COUNCIL.

19 (4) (a) NO LATER THAN A DAY CERTAIN OF A REGULAR  
20 LEGISLATIVE SESSION AS ESTABLISHED IN THE JOINT RULES OF THE SENATE  
21 AND HOUSE OF REPRESENTATIVES, THE LEGISLATIVE COUNCIL SHALL MEET  
22 TO REVIEW AND PRIORITIZE REQUESTS MADE BY LEGISLATIVE MEMBERS  
23 PURSUANT TO SUBSECTION (1) OF THIS SECTION. SUCH REVIEW AND  
24 PRIORITIZATION MUST TAKE INTO ACCOUNT THE INFORMATION PROVIDED  
25 BY THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL AS  
26 SPECIFIED IN SUBSECTION (2) OF THIS SECTION. THE LEGISLATIVE COUNCIL  
27 SHALL ALSO DETERMINE IF ANY OF THE PRIORITIZED REQUESTS WARRANT



1 CONTRACTING WITH THE LABORATORY, AND, IF SO, THE LEGISLATIVE  
2 COUNCIL STAFF SHALL ENTER INTO A CONTRACT WITH THE LABORATORY  
3 FOR THE ANALYSIS OR EVALUATION.

4 (b) AFTER THE GENERAL ASSEMBLY HAS ADJOURNED, IF A REQUEST  
5 FOR AN EVIDENCE-BASED PERFORMANCE ANALYSIS OR EVALUATION IS  
6 BROUGHT TO THE ATTENTION OF THE EXECUTIVE COMMITTEE OF THE  
7 LEGISLATIVE COUNCIL AND THE EXECUTIVE COMMITTEE DETERMINES THAT  
8 THE REQUEST IS THE RESULT OF CHANGED CIRCUMSTANCES OR NEW  
9 CIRCUMSTANCES AND IS APPROPRIATE MATERIAL FOR AN ANALYSIS OR  
10 EVALUATION TO BEGIN PRIOR TO THE NEXT INTERIM BETWEEN  
11 LEGISLATIVE SESSIONS AND, IF THERE IS SUFFICIENT MONEY AVAILABLE  
12 FOR THE ANALYSIS OR EVALUATION, THEN THE EXECUTIVE COMMITTEE OF  
13 THE LEGISLATIVE COUNCIL MAY AUTHORIZE A CONTRACT WITH THE  
14 LABORATORY FOR THE ANALYSIS OR EVALUATION BY ADOPTING A  
15 RESOLUTION.

16 **SECTION 2.** In Colorado Revised Statutes, **repeal** 24-33.5-514.

17

18 **SECTION 3.** In Colorado Revised Statutes, 2-3-1203, **repeal**  
19 (14)(a)(II) as follows:

20 **2-3-1203. Sunset review of advisory committees - legislative**  
21 **declaration - definition - repeal.** (14) (a) The following statutory  
22 authorizations for the designated advisory committees are scheduled for  
23 repeal on September 1, 2023:

24 (II) ~~The EPIC advisory board created in section 24-33.5-514 (2),~~  
25 ~~C.R.S.,~~

26 **SECTION 4. Appropriation - adjustments to 2018 long bill.**

27 (1) To implement this act, the general fund appropriation made in the

1 annual general appropriation act for the 2018-19 state fiscal year to the  
2 department of public safety for use by the division of criminal justice for  
3 the capacity resource center is decreased by \$888,694, and the related  
4 FTE is decreased by 9.0 FTE.

5 (2) For the 2018-19 state fiscal year, \$888,694 is appropriated to  
6 the legislative department for use by the legislative council. This  
7 appropriation is from the general fund. To implement this act, the  
8 department may use this appropriation for contracts with an institution of  
9 higher education to conduct research into evidence-based performance  
10 analysis and evaluation of state programs.

11 **SECTION 5. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
3.14.18

DRAFT

LLS NO. 18-1048.01 Nicole Myers x4326

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Exempt Records Of Cybersecurity Threats From CORA"

**A BILL FOR AN ACT**

101      **CONCERNING THE EXEMPTION OF CYBERSECURITY THREAT REPORTS**  
102              **RECEIVED BY GOVERNMENTAL ENTITIES FROM THE DEFINITION**  
103              **OF PUBLIC RECORDS UNDER THE "COLORADO OPEN RECORDS**  
104              **ACT".**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The "Colorado Open Records Act" (CORA) specifies that all public records will be open for inspection by any person. The custodian of a public record must allow the inspection of

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

the record unless specific ground for denial is established in CORA. To address confidentiality concerns, the bill exempts from the definition of "public records" under CORA records of cybersecurity threat reports received by certain governmental entities.

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*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 24-72-202, **amend** (6)(b)(XII) and (6)(b)(XIII); and **add** (6)(b)(XIV) as follows:

**24-72-202. Definitions.** As used in this part 2, unless the context otherwise requires:

(6) (b) "Public records" does not include:  
(XII) Information security audit and assessment reports prepared pursuant to section 24-37.5-403 (2)(d) or 24-37.5-404.5 (2)(d); ~~or~~

(XIII) The information provided to the state medical marijuana licensing authority pursuant to section 25-1.5-106 (7)(e); ~~C.R.S.~~ OR

(XIV) INFORMATION REGARDING A CYBERSECURITY THREAT PROVIDED TO THE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT IN THE DEPARTMENT OF PUBLIC SAFETY, THE GOVERNING BODY OF ANY CITY, COUNTY, CITY AND COUNTY, OR OTHER POLITICAL SUBDIVISION OF THE STATE, OR ANY FEDERAL, STATE, OR LOCAL LAW ENFORCEMENT AGENCY.

**SECTION 2. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect

1 unless approved by the people at the general election to be held in  
2 November 2018 and, in such case, will take effect on the date of the  
3 official declaration of the vote thereon by the governor. <{Ask  
4 Committee}>

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
4.10.18

DRAFT

LLS NO. 18-1099.01 Esther van Mourik x4215

COMMITTEE BILL

Committee

**BILL TOPIC:** "Create Justice Center Maintenance Fund"

**A BILL FOR AN ACT**

101 **CONCERNING THE CREATION OF THE JUSTICE CENTER MAINTENANCE**  
102 **FUND.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

\_\_\_\_\_ **Committee.** The bill creates the justice center maintenance fund that consists of money appropriated by the general assembly to the maintenance fund from the justice center cash fund to be used for controlled maintenance needs of the Ralph L. Carr Colorado judicial center.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 13-32-101, **add**  
3 (7)(d) as follows:

4 **13-32-101. Docket fees in civil actions - judicial stabilization**  
5 **cash fund - support registry fund created - definition.** (7) (d) (I) THE  
6 JUSTICE CENTER MAINTENANCE FUND IS HEREBY CREATED IN THE STATE  
7 TREASURY AND REFERRED TO IN THIS SUBSECTION (7) AS THE  
8 "MAINTENANCE FUND". THE MAINTENANCE FUND CONSISTS OF MONEY  
9 ANNUALLY APPROPRIATED BY THE GENERAL ASSEMBLY TO THE  
10 MAINTENANCE FUND FROM THE JUSTICE CENTER CASH FUND AND ANY  
11 OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR  
12 TRANSFER TO THE FUND. THE AMOUNT APPROPRIATED TO THE  
13 MAINTENANCE FUND FROM THE JUSTICE CENTER CASH FUND MUST BE  
14 EQUAL TO THE AMOUNT DESCRIBED IN SUBSECTION (7)(d)(II) OF THIS  
15 SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
16 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
17 MAINTENANCE FUND TO THE MAINTENANCE FUND. SUBJECT TO ANNUAL  
18 APPROPRIATION BY THE GENERAL ASSEMBLY AND SUBJECT TO CAPITAL  
19 DEVELOPMENT REVIEW OF ANY CONTROLLED MAINTENANCE NEEDS THAT  
20 THE COMMITTEE WOULD TYPICALLY REVIEW FOR STATE-FUNDED  
21 PROJECTS, MONEY FROM THE MAINTENANCE FUND MAY BE EXPENDED FOR  
22 CONTROLLED MAINTENANCE NEEDS OF THE RALPH L. CARR COLORADO  
23 JUDICIAL CENTER.

24 (II) CURRENT AND PROJECTED APPROPRIATIONS TO THE  
25 MAINTENANCE FUND FROM THE JUSTICE CENTER CASH FUND SHOULD BE  
26 SUFFICIENT TO PAY FOR CURRENT AND PROJECTED CONTROLLED

1 MAINTENANCE NEEDS FOR THE RALPH L. CARR COLORADO JUDICIAL  
2 CENTER AS OUTLINED IN THE REPORT REQUIRED IN SUBSECTION (7)(d)(IV)  
3 OF THIS SECTION, TAKING INTO ACCOUNT ANY PROJECTED INTEREST  
4 EARNINGS ON THE MAINTENANCE FUND.

5 (III) FOR PURPOSES OF THIS SUBSECTION (7)(d), "CONTROLLED  
6 MAINTENANCE" HAS THE SAME MEANING AS SET FORTH IN SECTION  
7 24-30-1301 (4); EXCEPT THAT IT MAY INCLUDE ANY MAINTENANCE NEEDS  
8 THAT WOULD ORDINARILY BE FUNDED IN THE JUDICIAL DEPARTMENT'S  
9 OPERATING BUDGET AND IT MAY INCLUDE INFORMATION TECHNOLOGY  
10 EQUIPMENT TO SUPPORT NETWORK OPERATIONS, SUCH AS SERVERS OR  
11 UNINTERRUPTIBLE POWER SUPPLY UNITS, OR TO REGULATE OR CONTROL  
12 BUILDING SYSTEMS, SUCH AS LIGHTING OR HVAC.

13 (IV) THE JUDICIAL DEPARTMENT SHALL PROVIDE A WRITTEN  
14 REPORT TO THE JOINT BUDGET COMMITTEE AND THE CAPITAL  
15 DEVELOPMENT COMMITTEE ON NOVEMBER 1, 2018, AND EACH NOVEMBER  
16 1 THEREAFTER, THAT DOCUMENTS EXPENDITURES THAT HAVE BEEN MADE  
17 FROM THE MAINTENANCE FUND AND THAT DOCUMENTS PROJECTED  
18 FUTURE EXPENDITURES FROM THE MAINTENANCE FUND OVER A  
19 TWENTY-YEAR TERM. NOTWITHSTANDING SECTION 24-1-136 (11)(a), THE  
20 REPORTING REQUIREMENT SPECIFIED IN THIS SUBSECTION (7)(d)(IV)  
21 CONTINUES INDEFINITELY.

22 **SECTION 2.** In Colorado Revised Statutes, 24-75-402, **amend**  
23 (5)(ll); and **add** (5)(nn) and (5)(oo) as follows:

24 **24-75-402. Cash funds - limit on uncommitted reserves -**  
25 **reduction in the amount of fees - exclusions - repeal.**  
26 (5) Notwithstanding any provision of this section to the contrary, the  
27 following cash funds are excluded from the limitations specified in this



1 section:

2 (ll) The technology advancement and emergency fund created in  
3 section 24-37.5-115; ~~and~~

4 (nn) THE JUSTICE CENTER CASH FUND CREATED IN SECTION  
5 13-32-101 (7)(a); AND

6 (oo) THE JUSTICE CENTER MAINTENANCE FUND CREATED IN  
7 SECTION 13-32-101 (7)(d).

8 **SECTION 3. Act subject to petition - effective date.** This act  
9 takes effect at 12:01 a.m. on the day following the expiration of the  
10 ninety-day period after final adjournment of the general assembly (August  
11 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
12 referendum petition is filed pursuant to section 1 (3) of article V of the  
13 state constitution against this act or an item, section, or part of this act  
14 within such period, then the act, item, section, or part will not take effect  
15 unless approved by the people at the general election to be held in  
16 November 2018 and, in such case, will take effect on the date of the  
17 official declaration of the vote thereon by the governor.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the JBC  
FROM Steve Allen, JBC Staff (303-866-4961)  
DATE April 10, 2018  
SUBJECT JBC Bill for Judicial Center Controlled Maintenance

---

During figure setting for the Judicial Branch, the JBC voted to draft a bill that would create a dedicated controlled-maintenance cash fund to pay for the anticipated controlled maintenance needs of the Ralph L. Carr Judicial Center over the life of the building. This new "Justice Center Maintenance Fund" would receive appropriations from the existing Justice Center Cash Fund, which in turn gets revenue from rent paid by tenants, parking fees, and other cash-fund sources. A copy of the March 1 memo that JBC staff presented during Judicial figure setting is attached.

With the permission of the JBC Chair, JBC staff subsequently contacted the Capital Development Committee (CDC) about the bill and discovered that the CDC was also interested in the bill and was possibly interested in carrying it. The CDC discussed the bill during two of its meetings and provided input to the bill drafter. The attached draft reflects the recommendations of JBC staff as well as ideas from the CDC and CDC staff. The most significant differences between the March 1 memo and this bill draft are (1) CDC review of controlled maintenance expenditures of a type that it normally reviews and (2) the lack of a \$3.0 million cash fund appropriation from the Justice Center Cash Fund into the new Maintenance Fund. Change (1) would lead the CDC to make recommendations to the JBC concerning funding for about  $\frac{3}{4}$  of the items on the projected Carr Center expenditure list. Change (2) is not significant because an equivalent appropriation can be placed in next year's Long Bill. Note that the first expenditures from the Maintenance Fund would occur in FY 2020-21.

The CDC will consider this bill draft on Thursday, April 19. The CDC may decide that it would like to carry the bill at that time.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the JBC  
FROM Steve Allen, JBC Staff (303-866-4961)  
DATE March 1, 2018  
SUBJECT Recommended JBC Bill for Judicial Center Controlled Maintenance

---

**JBC staff recommends that the Committee carry a bill to create a dedicated controlled maintenance cash fund to pay for controlled maintenance expenses of the Ralph L. Carr Judicial Center over the life of the building.** The fund would be named the “Carr Center Controlled Maintenance Cash Fund.” The bill would transfer \$3,000,000 from the Justice Center Cash Fund into the new cash fund on July 1, 2018. The fund would be subject to annual appropriation by the General Assembly to pay the Carr Center's controlled maintenance expenses and other designated expenses that recur periodically. The list of covered expenses could potentially change over time. Annual appropriations into the fund would be made in the Long Bill from the Justice Center Cash Fund, which receives revenues from docket fees and lease payments made by building tenants. The first annual appropriation into the fund would be in FY 2019-20. The annual appropriations would be level but could periodically be increased to reflect the higher cost of controlled maintenance due to inflation. The Judicial Department's annual budget requests would identify controlled maintenance expenses for the upcoming fiscal year and the JBC would include a corresponding appropriation from the new cash fund in the Long Bill.

**The Judicial Department requested this bill when it submitted its budget last November** and proposed the initial \$3 million transfer. At briefing, the JBC asked the Department to estimate the Carr Center's future controlled maintenance needs and submit them to the Committee. **The Department's architect, its property management company, and the Carr Center's building engineer jointly developed the list of controlled maintenance needs at the end of this memo.** The list was also based on consultation with vendors concerning asset costs and projected lives.

Commenting on this list, the state architect noted some omissions and the inclusion of at least two items (x-ray machines and metal detectors) that are not normally considered controlled maintenance because they are movable and are not part of the building. The omitted items were:

- Costs of maintaining the windows and caulking around windows.
- Interior paint and sealing.
- Pipes and plumbing. Some parts of the sprinkler system have standing water in them at all times and will eventually need replacement.
- Fire alarms, fire control, cameras, security devices, controlled access doors.

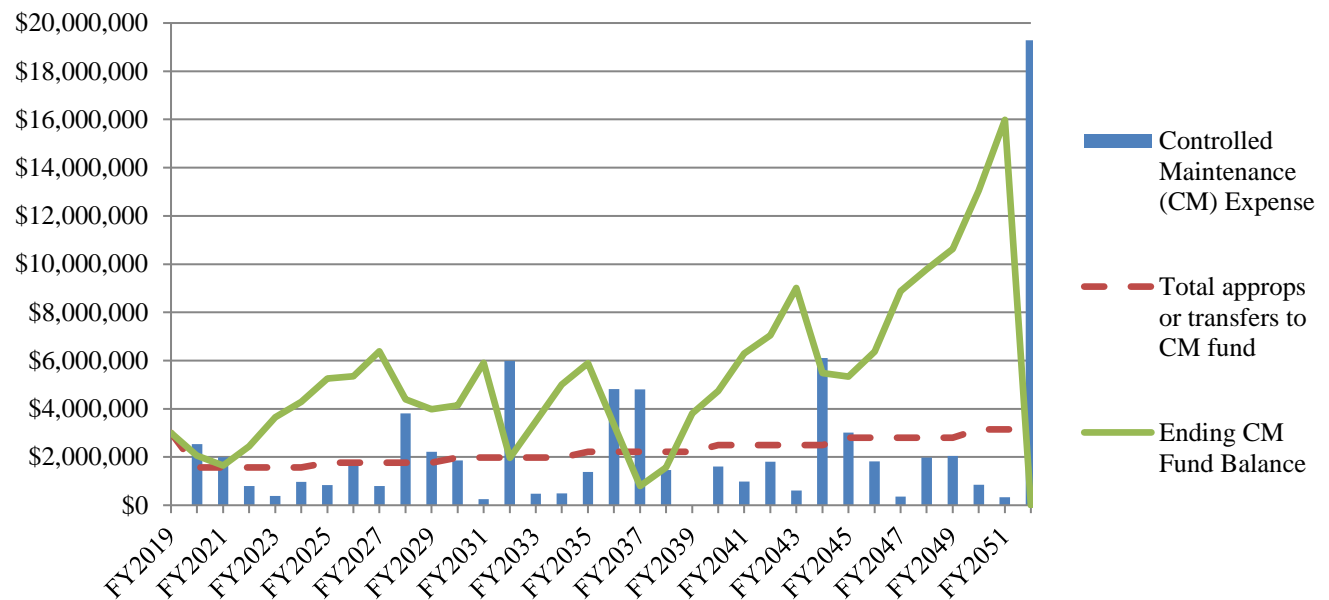
The Department is now looking at adding these items to the list. While x-ray equipment and metal detectors should technically be excluded, staff sees no harm in leaving them on the list. Any substantial periodic expense could be included in the funding plan as long as the Department and the JBC clearly understand what is included. If the Department uses the fund to pay expenses that are not on the list, the fund will be unable to pay all the anticipated costs that are on the list.

The Carr Center opened in 2013 so building assets with the shortest lives (7 years) are due for replacement in FY 2019-20. The two longest-lived assets (at the bottom of the table) last 40 years and together are the most expensive items on this list. Thus in 2052, 40 years after the building opened, all of the controlled maintenance assets in the Carr Center will have been replaced at least once. The next complete replacement cycle will conclude 40 years later in 2092.

**Based on this list, the Department proposed a funding plan that staff refined.** The staff plan, which is designed to pay controlled maintenance needs through 2052, is based on the following assumptions:

- Contributions to the fund will pay all controlled maintenance costs through 2052.
- The interest rate the Colorado Treasury pays to the fund will average 1%
- Inflation rates will average 2.35% annually, which approximates recent inflation. Controlled maintenance costs will rise at this rate.
- The annual appropriation into the cash fund will be adjusted upward once every 5 years to catch up with inflation.

**Based on these assumptions staff determined that the first annual appropriation into the fund (in the year after the initial \$3 million contribution) should equal \$1,566,773, rising to \$1,759,727 in 2025 and to \$1,976,445 in 2030.** The following chart shows the controlled maintenance expenses, the slowly rising annual contributions to the fund, and a fund balance that returns to 0 in 2052. **The Department finds these appropriations acceptable.**



The plan is flexible by design because needs will evolve. If in five years, the inflation forecast proves too low, or the cost on an item on the list differs significantly from the forecast, the plan can be recalculated and appropriations into the fund can be adjusted.

While experimenting with the spreadsheet that generated this chart, staff realized that inflation is a very important consideration. If the inflation rate is 2.35 percent, then prices will double every 28 years, so in 2046 replacement assets will cost twice as much as they do now. It will be important to increase appropriations periodically by that amount, which can only be done if Judicial revenue sources rise in step with inflation. Periodically the JBC may want to take the lead and sponsor bills that adjusts some judicial Department fees in step with inflation.

Ralph L. Carr Judicial Center Controlled Maintenance Needs Through FY 2030-31																
Project Title	Project Description	Life	Current Cost	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Network Switches	Replace Network Switches.	7	314,600	0	0	329,560	0	0	0	0	0	0	387,748	0	0	0
Lighting Control	Upgrade Lighting Control Upgrade	7	31,460	0	0	32,956	0	0	0	0	0	0	38,775	0	0	0
WAP Replacement	Replace Wireless Access Point (WAPs)	8	943,800	0	0	988,680	0	0	0	0	0	0	0	1,190,580	0	0
Court's Exterior Lighting	Replace existing lighting.	7	180,895	0	0	189,497	0	0	0	0	0	0	222,955	0	0	0
X-Ray Replacement	Replace existing x-ray machines in lobbies	7	78,650	0	0	82,390	0	0	0	0	0	0	96,937	0	0	0
Core Switches	Replace and upgrade the Carr network switches	8	300,443	0	307,503	0	0	0	0	0	0	0	370,299	0	0	0
DAS	Replacement of Distribution Antenna System for cell phone	8	1,730,300	0	1,770,962	0	0	0	0	0	0	0	2,132,613	0	0	0
UPS Battery Replacement	Battery Replacement throughout Carr	4	94,380	0	96,598	0	0	0	106,003	0	0	0	116,324	0	0	0
AV Replacement	AV Replacement for Carr Public Areas	8	354,974	0	363,316	0	0	0	0	0	0	0	437,509	0	0	0
AV Replacement	AV Replacement for Carr Public Areas	8	354,974	0	0	371,853	0	0	0	0	0	0	0	447,790	0	0
AV Replacement	AV Replacement for Carr Public Areas	8	354,974	0	0	0	380,592	0	0	0	0	0	0	0	458,313	0
Tower Carpet Replacement	Replace Carpet in Office Tower (20% of floors)	10	346,060	0	0	0	371,035	0	0	0	0	0	0	0	0	0
Tower Carpet Replacement	Replace Carpet in Office Tower (20% of floors)	10	346,060	0	0	0	0	379,754	0	0	0	0	0	0	0	0
Tower Carpet Replacement	Replace Carpet in Office Tower (20% of floors)	10	346,060	0	0	0	0	0	388,679	0	0	0	0	0	0	0
Tower Carpet Replacement	Replace Carpet in Office Tower (20% of floors)	10	346,060	0	0	0	0	0	0	397,813	0	0	0	0	0	0
Tower Carpet Replacement	Replace Carpet in Office Tower (20% of floors)	10	346,060	0	0	0	0	0	0	0	407,161	0	0	0	0	0
Test Davits	Test of roof Davits	10	39,325	0	0	0	42,163	0	0	0	0	0	0	0	0	0
Courts Carpet Replacement	Replace carpet in the Courts portion of Carr (1/3)	12	222,842	0	0	0	0	0	250,285	0	0	0	0	0	0	0
Courts Carpet Replacement	Replace carpet in the Courts portion of Carr (1/3)	12	222,842	0	0	0	0	0	0	256,167	0	0	0	0	0	0
Courts Carpet Replacement	Replace carpet in the Courts portion of Carr (1/3)	12	222,842	0	0	0	0	0	0	0	262,187	0	0	0	0	0
Heat Trace	Partial replacement of existing Heat Trace System	12	196,625	0	0	0	0	0	220,840	0	0	0	0	0	0	0
Network Servers	Replace Building Network Servers	13	157,300	0	0	0	0	0	0	180,824	0	0	0	0	0	0
UPS / 300KVA	Replace existing units.	14	589,875	0	0	0	0	0	0	0	0	710,334	0	0	0	0
UPS / 300KVA	Replace existing units.	14	589,875	0	0	0	0	0	0	0	0	0	0	0	761,599	0
UPS / 160KVA	Replace existing unit.	14	487,630	0	0	0	0	0	0	0	573,727	0	0	0	0	0
CRAC Unit Replacement	Replace existing CRAC Units in Data Center	14	401,115	0	0	0	0	0	0	0	471,937	0	0	0	0	0
Courts Garage Door	Replace existing overhead door	15	66,066	0	0	0	0	0	0	0	0	79,557	0	0	0	0
Fire Alarm System	Retrofit Fire Detection System	17	267,410	0	0	0	0	0	0	0	0	0	0	337,331	0	0
Replace Boilers	Replace existing Boilers (Quantity 3)	18	188,760	0	0	0	0	0	0	0	0	0	0	238,116	0	0
Replace Boilers	Replace existing Boilers (Quantity 3)	18	188,760	0	0	0	0	0	0	0	0	0	0	0	243,712	0
Replace Boilers	Replace existing Boilers (Quantity 3)	18	188,760	0	0	0	0	0	0	0	0	0	0	0	0	249,439
Replace Boilers	Replace existing Boilers (Quantity 3)	18	188,760	0	0	0	0	0	0	0	0	0	0	0	0	0
Air Handler - AHU chilled water coil	Replace AHU chilled water coil	18	75,504	0	0	0	0	0	0	0	0	0	0	0	97,485	0
Air Handler - AHU hot water coil	Replace AHU hot water coil	18	75,504	0	0	0	0	0	0	0	0	0	0	0	97,485	0
Replace Snow Melt Equipment	Replace Snow Melt mechanical equipment.	18	157,300	0	0	0	0	0	0	0	0	0	0	0	203,093	0
Replace Emergency Generators	Replace Emergency Generators for Carr Complex (Quantity 2)	20	1,559,283	0	0	0	0	0	0	0	0	0	0	0	0	0
Replace Cooling Tower	Replace Cooling Tower (4 Cells)	20	385,385	0	0	0	0	0	0	0	0	0	0	0	0	0
Replace Chillers	Replace Chillers (530 Ton - Quantity 2)	20	943,800	0	0	0	0	0	0	0	0	0	0	0	0	0
Replace Chillers	Replace Chillers (220 Ton - Quantity 2)	20	786,500	0	0	0	0	0	0	0	0	0	0	0	0	0
BAS Jaces	Replace existing Jaces	20	81,796	0	0	0	0	0	0	0	0	0	0	0	0	0
Automatic Transfer Switch	Replace existing transfer switch.	25	283,140	0	0	0	0	0	0	0	0	0	0	0	0	0
Gerator Paralleling Switchgear (GPS)	Replace existing GPS	25	201,344	0	0	0	0	0	0	0	0	0	0	0	0	0
AHU - Motor Banks	Replace motor banks in existing Air Handler Unit	25	418,418	0	0	0	0	0	0	0	0	0	0	0	0	0
Pumps - HVAC	Replace existing HVAC Pumps	25	153,368	0	0	0	0	0	0	0	0	0	0	0	0	0
Replace Roof	Replace existing roofing.	25	786,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Primary Electrical Switch Gear	Replace Primary Switch Gear for Carr	40	528,528	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Station Switch Gear	Replace existing Sub-Station Switch Gear (Quantity 6)	40	1,812,096	0	0	0	0	0	0	0	0	0	0	0	0	0

This table assumes that the cost of controlled maintenance item rises 2.35 percent per year, which approximates recent inflation. Because of space constraints the table stops in FY 2030-31, before the last 12 assets on this list are replaced.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee  
FROM Amanda Bickel, JBC Staff (x4960)  
DATE April 11, 2018  
SUBJECT OLLS 18-1184 - JBC Bill for \$18.0 million for Institutions of Higher Education

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### BACKGROUND ON THE \$18.0 MILLION SET-ASIDE

On March 23, 2018, just prior to closing the Long Bill, the JBC voted to establish a placeholder for \$18,000,000 General Fund for a bill concerning higher education and requested a bill draft. Committee members indicated that they had not decided on the content of the bill or the associated allocations to governing boards.

In light of this, on the same day, staff emailed the Executive Director of the Department of Higher Education and the Department's Budget Director and requested that they assemble a proposal for the use of the funds. **The Department was extremely slow to respond. When it finally did so, it provided a rough outline of a program. Based on the information provided, staff does not recommend that the Committee support this as a JBC bill.**

### DEPARTMENT PROPOSAL

#### *Delayed and Incomplete Response*

On March 23, staff requested that the Department provide a proposal for the use of the \$18.0 million by Friday March 30 or early the week of April 2. After initially indicating that it would respond early during the week of April 2, the Department contacted staff on April 2 to propose a phone call. When staff was finally able to speak with the Department during the middle of the week of April 2, it became evident that the Department still had not taken the request for a JBC bill draft seriously. At staff's insistence, on Thursday April 4 it provided a 2.5 page draft document, described below.

#### *Department's General Comments - Draft Document*

- According to the document, "Previously in the budget-setting process, the Department expressed and communicated to JBC members the benefits of the approach taken in an existing \$18 million proposal that tied funding to certificates, STEM [science, technology, math, and engineering] degrees, completed Pell [low income student] credit hours, and rural institutions. This proposal has support from each institution and aligns with the Master Plan goals. After the set aside was made, the Department worked to affirm higher education support for this approach as it served as the best starting point for allocations."
- *Staff understands this to mean that the Department is supporting the proposal previously provided to staff by the University of Colorado for allocating the \$18.0 million, although the allocation is not included in the draft. This "previously provided" proposal included:*
  - \$4.0 million divided in equal amounts among the three small rural institutions (Adams State University, Western State Colorado University, and Fort Lewis College);
  - \$4.0 million allocated to Metropolitan State University of Denver and Colorado Mesa University based on their share of PELL College Opportunity Fund stipend credit hours
  - \$4.0 million allocated to the four research institutions (Colorado School of Mines, Colorado State University, the University of Colorado, and the University of Northern Colorado) based on share of STEM completions;

APRIL 11, 2018

- \$5.0 million allocated to state community colleges, area technical colleges, and local district colleges (Aims and Colorado Mountain College) based on the number of certificates awarded lasting more than one year but less than two.
- The Department indicates that: “It is working to ensure the proposal is not an alternative to the current funding allocation model...but is meaningful in its alignment with the State’s goals as outlined in the Master Plan”.
  - The Master Plan states the need for increased attainment of low-income students.
  - Increasing STEM credentials and certificates is specifically mentioned in the Master Plan and is identified as a need in the Talent Pipeline Report.
  - Increasing certificate production is also called out specifically in the Master Plan.

*Bill Draft Components Outlined in the Draft Document*

The write-up calls for:

- “A strong legislative declaration” and “definitions as necessary” (without providing content).
- The allocation would “support STEM credentials, certificates, rural access, and completed Pell credit hours”.
- The bill should specify the percentage of total funds allocated to each one of the target areas and put that into the allocation methodology for out-years, so that the shares stay the same, even if the total funding available changes.
- “Each institution may identify how they wish to spend the funds as long as it aligns with the Master Plan and accelerates achievement of state goals”. Institutions should submit a report to the Department/the Commission on Higher Education (CCHE) for review outlining the proposal by July 1, 2018. “The Department and the Commission should be given an opportunity to review these plans and suggest ways to strengthen the proposal’s alignment with the Master Plan.” If an institution changes its approach, a new report would need to be submitted.
- Annual reporting to the CCHE and the JBC on spending, student outcomes, and the progress made toward Master Plan goals by each institution, with a report submitted to the CCHE and the JBC between December 1 and December 15.

STAFF OBSERVATIONS

Based on the limited information provided, it appears to staff that the proposal:

- *Represents a “model on top of a model”, i.e.,* the Department proposes an ongoing a statutory allocation structure that is different from the existing H.B. 14-1319 funding model but that does not blend with or replace the existing model.
- *Includes no commitment to reduce tuition* associated with an increase in funding.
- *Includes no meaningful oversight to ensure sound proposals or outcomes.* While the institutions will submit their plans to the Department and CCHE, neither entity will have any real authority to reject or modify the proposal. Similarly, while the institutions will submit reports to the General Assembly, the proposed statutory allocation formula means that the General Assembly will have no meaningful way of selecting any particular programs as worthwhile or not.<sup>1</sup>

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<sup>1</sup> In addition, if a report is not submitted until mid-December each year, it will arrive *after* JBC staff’s annual budget briefing and Department SMART hearings are usually scheduled.)

APRIL 11, 2018

- Staff recognizes that the existing higher education funding model is largely driven by volume and that, in the current strong economy, the community colleges and “access” institutions have had flat and declining enrollment and thus smaller increases than they would like from the H.B. 14-1319 model. This is an understandable concern, but *staff fails to understand why a concern about insufficient funding for community colleges and access institutions has morphed into a plan for a new allocation formula that also provides additional funding for research institutions.*
- In staff’s opinion, the State could and should do more to make higher education more accessible and affordable for low and middle-income students and to help these students complete their programs. However, based on the information provided to staff, the “model on a model” included in this proposal does not seem to seriously target the State’s most pressing higher education problems.



Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
3.9.18

DRAFT

LLS NO. 18-1088.01 Brita Darling x2241

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Tony Grampsas Participation Sectarian Schools"

**A BILL FOR AN ACT**

101      **CONCERNING THE REMOVAL OF LANGUAGE THAT PROHIBITS**  
102                      **SECTARIAN SECONDARY SCHOOLS FROM APPLYING FOR GRANTS**  
103                      **THROUGH THE TONY GRAMPSAS YOUTH SERVICES PROGRAM.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill removes language from the Tony Grampsas youth services program (program) that prohibits a sectarian secondary school from applying for grants through the program and makes a conforming amendment relating to activities of the Tony Grampsas youth services board.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 26-6.8-101, **amend**  
3 the introductory portion and (2) as follows:

4           **26-6.8-101. Definitions.** As used in this ~~article~~ ARTICLE 6.8,  
5 unless the context otherwise requires:

6           (2) "Entity" means a local government, a Colorado public or  
7 ~~nonsectarian~~ NONPUBLIC secondary school, a group of public or  
8 ~~nonsectarian~~ NONPUBLIC secondary schools, a school district or group of  
9 school districts, a board of cooperative services, an institution of higher  
10 education, the Colorado National Guard, a state agency, a state-operated  
11 program, or a private nonprofit or not-for-profit community-based  
12 organization.

13           **SECTION 2.** In Colorado Revised Statutes, 26-1-111.3, **amend**  
14 (5)(a) as follows:

15           **26-1-111.3. Activities of the state department under the**  
16 **supervision of the executive director - Colorado state youth**  
17 **development plan - creation - definitions.** (5) As used in this section,  
18 unless the context otherwise requires:

19           (a) "Entity" means any local government, state public or  
20 ~~nonsectarian~~ NONPUBLIC secondary school, charter school, group of  
21 public or ~~nonsectarian~~ NONPUBLIC secondary schools, school district or  
22 group of school districts, board of cooperative services, state institution  
23 of higher education, the Colorado National Guard, state agency,  
24 state-operated program, private nonprofit organization, or nonprofit  
25 community-based organization.

26           **SECTION 3. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the  
2 ninety-day period after final adjournment of the general assembly (August  
3 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
4 referendum petition is filed pursuant to section 1 (3) of article V of the  
5 state constitution against this act or an item, section, or part of this act  
6 within such period, then the act, item, section, or part will not take effect  
7 unless approved by the people at the general election to be held in  
8 November 2018 and, in such case, will take effect on the date of the  
9 official declaration of the vote thereon by the governor.

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

DRAFT  
3.19.18

DRAFT

LLS NO. 18-1088.02 Brita Darling x2241

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "Sectarian Entity Participation In Grant Program"

**A BILL FOR AN ACT**

101     **CONCERNING THE REMOVAL OF LANGUAGE THAT PROHIBITS**  
102             **SECTARIAN ENTITIES FROM APPLYING FOR CERTAIN PUBLIC**  
103             **GRANT PROGRAMS.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill removes language from the Tony Grampas youth services program (program) that prohibits a sectarian secondary school from applying for grants through the program and makes a conforming amendment relating to activities of the Tony Grampas youth services board. In addition, the bill removes language in

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Dashes through the words indicate deletions from existing statute.*

the before- and after-school program that prohibits a sectarian nonprofit community organization from partnering with a public school to provide before- and after-school arts-based and vocational activity programs through the grant program.

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*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 26-6.8-101, **amend** the introductory portion and (2) as follows:

**26-6.8-101. Definitions.** As used in this ~~article~~ ARTICLE 6.8, unless the context otherwise requires:

(2) "Entity" means a local government, a Colorado public or ~~nonsectarian~~ NONPUBLIC secondary school, a group of public or ~~nonsectarian~~ NONPUBLIC secondary schools, a school district or group of school districts, a board of cooperative services, an institution of higher education, the Colorado National Guard, a state agency, a state-operated program, or a private nonprofit or not-for-profit community-based organization.

**SECTION 2.** In Colorado Revised Statutes, 26-1-111.3, **amend** (5)(a) as follows:

**26-1-111.3. Activities of the state department under the supervision of the executive director - Colorado state youth development plan - creation - definitions.** (5) As used in this section, unless the context otherwise requires:

(a) "Entity" means any local government, state public or ~~nonsectarian~~ NONPUBLIC secondary school, charter school, group of public or ~~nonsectarian~~ NONPUBLIC secondary schools, school district or group of school districts, board of cooperative services, state institution of higher education, the Colorado National Guard, state agency,

1 state-operated program, private nonprofit organization, or nonprofit  
2 community-based organization.

3 **SECTION 3.** In Colorado Revised Statutes, 22-27.5-102, **amend**  
4 the introductory portion and (6) as follows:

5 **22-27.5-102. Definitions.** As used in this ~~article~~ ARTICLE 27.5,  
6 unless the context otherwise requires:

7 (6) "Qualified community organization" means a nonprofit or  
8 not-for-profit, ~~nonsectarian~~, community-based organization that provides  
9 before- and after-school, arts-based or vocational activity programs to  
10 low-income youth enrolled in grades six through twelve.

11 **SECTION 4. Act subject to petition - effective date.** This act  
12 takes effect at 12:01 a.m. on the day following the expiration of the  
13 ninety-day period after final adjournment of the general assembly (August  
14 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
15 referendum petition is filed pursuant to section 1 (3) of article V of the  
16 state constitution against this act or an item, section, or part of this act  
17 within such period, then the act, item, section, or part will not take effect  
18 unless approved by the people at the general election to be held in  
19 November 2018 and, in such case, will take effect on the date of the  
20 official declaration of the vote thereon by the governor.

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

REDRAFT

4.11.18

Double underlining  
denotes changes from  
prior draft

DRAFT

LLS NO. 18-0988.01 Nicole Myers x4326

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC: "Biweekly Salary Payment For State Employees"**

**A BILL FOR AN ACT**

101 CONCERNING CHANGING THE PAYROLL PERIODS FOR SALARIES PAID  
102 THROUGH THE STATE'S PAYROLL SYSTEM FROM MONTHLY TO  
103 BIWEEKLY RATHER THAN TWICE MONTHLY.

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** Currently, the majority of state employees who are paid through the state's payroll system are paid on a monthly basis and some state employees are paid on a biweekly basis. For employees who are paid monthly, salaries are paid as of the last working day of the month; except that salaries for June are paid on the first

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Dashes through the words indicate deletions from existing statute.*

working day of July. For employees who are paid biweekly, salaries are paid 14 days after the last day of the pay period.

In 2015, the general assembly passed legislation that required all state employees paid through the state's payroll system to be paid twice a month beginning July 1, 2017. It also required salaries to be paid 14 days after the last day of the pay period. In 2016, the general assembly passed legislation that allowed the state personnel director to delay the implementation date of the twice-monthly payroll system, and the implementation of such system has not yet occurred.

The bill repeals the requirement to implement a twice-monthly payroll system and instead requires all state employees that are paid through the state's payroll system to be paid biweekly beginning July 1, 2018. Salaries will be paid 14 days after the last day of the pay period. =

=====

In 2015, the general assembly also enacted a one-time loan program to assist state employees in covering expenses in the first month that there is a 14-day period between the end of the pay period and the payment of salary. The bill modifies the loan program to specify the calculation of the loan and to allow employees to apply to the department of personnel for the loan in July 2018.

In addition, the bill makes necessary conforming amendments to allow the state's payroll system to pay all employees on a biweekly basis and to account for June payroll in the following fiscal year.

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*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 24-50-104, **amend** (8)(a)\_\_\_\_\_ and (8)(c); and **repeal** (8)(a.5), (8)(a.6), (8)(b). (8)(d), and (8)(g) as follows:

**24-50-104. Job evaluation and compensation - state employee reserve fund - created - definitions - repeal.** (8) **Payroll.** (a) For pay periods beginning before July 1, 2017, salaries for positions in the state personnel system paid on a monthly basis shall be paid as of the last working day of the month, except that: SALARIES FOR EMPLOYEES PAID THROUGH THE STATE'S PAYROLL SYSTEM SHALL BE PAID ON A BIWEEKLY BASIS AND SHALL BE PAID FOURTEEN DAYS AFTER THE LAST DAY OF THE FOURTEEN-DAY PAY PERIOD.



1           ~~(I) Salaries for the month of June shall be paid on the first~~  
2 ~~working day of July; and~~

3           ~~(II) For state personnel employees in the department of~~  
4 ~~transportation hired before August 5, 1998, as amended, salaries for the~~  
5 ~~month of December shall be paid on the first working day in January,~~  
6 ~~unless any such employee informs the controller of the department of~~  
7 ~~transportation of the employee's desire to be paid in the same manner as~~  
8 ~~other employees in the state personnel system as provided in this~~  
9 ~~subsection (8), in which case, the employee shall be paid in such manner.~~

10           ~~(a.5) For pay periods beginning before July 1, 2017, for state~~  
11 ~~employment positions that are not in the state personnel system and that~~  
12 ~~are not otherwise covered by paragraph (a) of this subsection (8), salaries~~  
13 ~~paid on a monthly basis for the month of June shall be paid on the first~~  
14 ~~working day of July.~~

15           ~~(a.6) For pay periods beginning before July 1, 2017, for state~~  
16 ~~employment positions that are not otherwise covered by paragraph (a) or~~  
17 ~~(a.5) of this subsection (8), whether or not the positions are in the state~~  
18 ~~personnel system:~~

19           ~~(I) and (II) (Deleted by amendment, L. 2015.)~~

20           ~~(III) Effective July 1, 2012, and for pay periods beginning before~~  
21 ~~July 1, 2017, salaries paid on a biweekly basis shall be paid fourteen days~~  
22 ~~after the last day of the fourteen-day pay period.~~

23           ~~(b) For pay periods beginning on or after July 1, 2017, salaries for~~  
24 ~~employees paid through the state's payroll system shall be paid twice a~~  
25 ~~month as follows: \_\_\_\_\_~~

26           ~~(I) For work performed from July 1, 2017, to July 15, 2017,~~  
27 ~~employees shall be paid on July 31, 2017. For work performed from July~~

1 ~~16, 2017, to July 31, 2017, employees shall be paid on August 15, 2017.~~

2 ~~(H) Except as otherwise specified in subparagraph (H) of this~~  
3 ~~paragraph (b), for all pay periods after the pay periods specified in~~  
4 ~~subparagraph (I) of this paragraph (b), for work performed from the first~~  
5 ~~day of the month to the fifteenth day of the same month, employees shall~~  
6 ~~be paid on the last day of that month. For work performed from the~~  
7 ~~sixteenth day of the month to the end of the same month, employees shall~~  
8 ~~be paid on the fifteenth day of the following month.~~

9 ~~(H) For work performed from June 1, 2018, to June 15, 2018,~~  
10 ~~employees shall be paid on July 1, 2018, and for work performed from~~  
11 ~~June 1 to June 15 each year thereafter, employees shall be paid on July 1~~  
12 ~~of the applicable year.~~

13 (c) (I) Any state employee may apply to the department of  
14 personnel for a one-time loan to assist the employee in covering expenses  
15 in July 2017. ~~The amount of the loan shall not be more than an amount~~  
16 ~~equal to the employee's net pay for a one-half month pay period. 2018.~~  
17 THE STATE CONTROLLER MAY MAKE SUCH LOANS PURSUANT TO SECTION  
18 24-75-203 (5) AND SHALL WORK WITH EACH DEPARTMENT \_\_\_\_\_ TO  
19 DETERMINE THE AMOUNT OF THE LOAN FOR EACH EMPLOYEE.

20 (II) An employee who receives a loan from the state pursuant to  
21 this ~~paragraph (c)~~ SUBSECTION (8)(c) shall repay the loan as specified in  
22 this ~~subparagraph (H)~~ SUBSECTION (8)(c)(II). An employee may repay the  
23 loan early with no prepayment penalty. If an employee separates from  
24 state employment prior to the full loan repayment, the balance of the loan  
25 shall be deducted from the employee's last paycheck. An employee shall  
26 repay the loan over a three-year period with an after-tax deduction in each  
27 paycheck equal to one ~~seventy-second~~ SEVENTY-EIGHTH of the loan

1 amount ~~plus simple interest at the state treasury's incremental borrowing~~  
2 ~~rate~~ AT ZERO PERCENT INTEREST.

3 (d) ~~Monthly salaries shall be converted to annual salary as the~~  
4 ~~basis for calculating amounts due for periods other than monthly.~~

5 (g) ~~Notwithstanding the provisions of this subsection (8), if the~~  
6 ~~state personnel director determines that, due to circumstances in~~  
7 ~~connection with the implementation of the human resources information~~  
8 ~~system, it will not be possible on July 1, 2017, to begin paying salaries~~  
9 ~~twice monthly for employees paid through the state's payroll system as~~  
10 ~~otherwise required in this subsection (8), the director shall, on or before~~  
11 ~~June 1, 2017, notify employers that pay employees through the state's~~  
12 ~~payroll system, employees who are paid through the state's payroll~~  
13 ~~system, and the general assembly that the department will not meet the~~  
14 ~~July 1, 2017, deadline and include in the notice the new date on which the~~  
15 ~~implementation of the twice monthly payroll system will begin. In~~  
16 ~~addition, if the implementation of the twice monthly payroll system is~~  
17 ~~delayed, the director shall allow any state employee to apply to the~~  
18 ~~department of personnel for a one-time loan to assist the employee in~~  
19 ~~covering expenses in the first month in which employees will be paid~~  
20 ~~twice monthly, rather than for the month of July 2017, as provided in~~  
21 ~~paragraph (c) of this subsection (8).~~

22 **SECTION 2.** In Colorado Revised Statutes, 24-75-201, **amend**  
23 **(2)(a)(III)(A); and repeal (2)(a)(III)(B) as follows:**

24 **24-75-201. General fund - general fund surplus - custodial**  
25 **money.** (2) (a) The general fund surplus shall be determined based upon  
26 the accrual system of accounting, as enunciated by the governmental  
27 accounting standards board; except that:

1 (III) (A) General fund revenues shall be restricted ~~only upon~~  
2 ~~actual payment on the first and fifteenth working day of July of salaries~~  
3 ~~of state employees for the month of~~ IN THE AMOUNT OF THE FIRST  
4 BIWEEKLY PAYROLL PAID ON OR AFTER JUNE 1 PLUS THE AMOUNT OF THE  
5 NEXT BIWEEKLY PAYROLL PAID IN June from general fund revenues.

6 (B) ~~General fund revenues shall be restricted only upon actual~~  
7 ~~payment in July of any bimonthly salaries of state employees for which~~  
8 ~~all or a portion thereof is for work performed during the month of June~~  
9 ~~from general fund revenues.~~

10 **SECTION 3. In Colorado Revised Statutes, 24-75-203, add (5)**  
11 **as follows:**

12 **24-75-203. Loans and advances. (5) OUT OF ANY MONEY IN THE**  
13 **STATE TREASURY NOT IMMEDIATELY REQUIRED TO BE DISBURSED, THE**  
14 **CONTROLLER MAY MAKE A ONE-TIME LOAN TO ANY STATE EMPLOYEE PAID**  
15 **THROUGH THE STATE'S PAYROLL SYSTEM TO ASSIST THE EMPLOYEE IN**  
16 **MAKING THE TRANSITION TO BIWEEKLY PAY PURSUANT TO SECTION**  
17 **24-50-104 (8) IN JULY 2018. EACH LOAN SHALL BE REPAID TO THE STATE**  
18 **TREASURY BY THE STATE EMPLOYEE AS SPECIFIED IN SECTION 24-50-104**  
19 **(8)(c)(II).**

20 **SECTION 4. Effective date.** This act takes effect July 1, 2018.

21 **SECTION 5. Safety clause.** The general assembly hereby finds,  
22 determines, and declares that this act is necessary for the immediate  
23 preservation of the public peace, health, and safety.

**JBC Potential Legislation Not Yet Voted On**  
**April 16, 2018 - 9:00 a.m.**

LLS No.	Mem o#	Dept.	Subject	JBC Staff	Status
	1	COR	Staff recommends the Committee sponsor legislation to remove the statutory prohibition on using Centennial South (Section 17-1-104.3 (1)(b.5), C.R.S) to house inmates. Staff also recommends the Committee fund the capital construction costs associated with the recommendations of the February 2016 Prison Utilization Study Update.	MD	Ready for discussion
	18	HED	The Department requests legislation to implement its request R5 (\$5,000,000 General Fund for Occupational Credential Capacity grant program).	AB	Ready for discussion
	36	CAP	Staff recommends that the Committee pursue legislation to eliminate depreciation-lease equivalent payment transfers to the Controlled Maintenance Trust Fund to preserve the purpose of this funding mechanism intended for capital replacement and controlled maintenance. Specifically, staff recommends that the legislation: Eliminate the depreciation-lease equivalent payment transfer included in Sections 24-30-1310 (2)(b), C.R.S., to the Controlled Maintenance Trust Fund; and Redirect the financing arrangement annual payment for controlled maintenance included in Section 24-30-1310 (2)(c)(II) to the Capital Construction Fund.	AK	Alive
	38	CAP	Staff requests that the Committee give staff guidance on its preferred level of participation in development and its preferred timing of Committee consideration and decision making for recommendations to meet this requirement over the next year; or pursue legislation to repeal the requirement.	AK	Alive
	39	CAP	Staff recommends that the Committee propose legislation to create a capital asset management and finance authority for state agency buildings.	AK	Alive
	40	CAP	Propose legislation and adopt Committee policies to fund institution of higher education capital construction and controlled maintenance through a funding formula distribution in fee-for-service contract payment appropriations. Staff also recommends that the Committee propose a concurrent resolution to amend the State Constitution to distribute 50 percent of net lottery proceeds for institution of higher education capital construction to provide a consistent level of funding regardless of the availability of General Fund in a given year. Staff recommends that the Committee consider companion legislation or Committee policy to establish a proportional funding match of half of the lottery proceeds total from the General Fund as a shared commitment to the primary fund stream from lottery proceeds.	AK	Alive
	41+37+42		OSPB requested that the Committee sponsor legislation that would: <ul style="list-style-type: none"> <li>• Increase the FY 2018-19 statutory reserve requirement to 8.0 percent, an estimated increase of \$108.3 million General Fund (this was originally requested as an increase to 7.0 percent in the November 1, 2017 budget submission) and</li> <li>• Transfer \$148.2 million from the General Fund to the State Highway Fund for high priority state transportation projects in FY 2018-19.</li> </ul> The source of the funds for this would be anticipated General Fund revenue increases from the Tax Cuts and Jobs Act (TCJA).	JZ	Balancing will include 37 +42 from the drafted list

**JBC Potential Legislation Not Yet Voted On**  
**April 16, 2018 - 9:00 a.m.**

LLS No.	Mem o#	Dept.	Subject	JBC Staff	Status
	42		OSPB requested the Committee sponsor legislation to allocate anticipated increases in General Fund from the TCJA in future years based on a formula established in statute. The framework suggested; <ul style="list-style-type: none"> <li>• After any existing certificate of participation payments are made from the General Fund to support transportation projects, grow the required reserve requirement in the General Fund to 10.0 percent by FY 2022-23 in 0.5 percentage point increments starting in FY 2019-20</li> <li>• In years when the reserve requirement is met and the Budget Stabilization Factor in the School Finance Act is unchanged, allocate two-thirds of the remaining new funds to State high-priority infrastructure needs, and one-third to the State Education Fund</li> <li>• 75 percent of the two-thirds allocation for state infrastructure spending should focus on transportation needs via the State Highway Fund, and the remainder to the following priorities: statewide water projects that support the state water plan (9 percent); State and Higher Education building controlled maintenance (6 percent), statewide affordable housing tax credit enhancements (6 percent), rural broadband projects (4 percent).</li> </ul>	JZ	Balancing
	43	EDU	The Department of Education proposes statutory changes (removing caps on per pupil expenditures) to allow for the full expenditure of funds provided through the English Language Proficiency Act categorical program.	CH	Need Official JBC approval to remove this bill
	51	NAT	Rep. Rankin proposes a bill to accelerate the plugging and reclamation of orphan wells through increased fees on oil and gas production.	ST	Alive
	59		Rep. Rankin requested a bill regarding "Certain Clarification of the SMART Act."	RS	Memo ready for 4/11/18
	65	CDLE	Exempt Workers Compensation Cash Fund from 16.5 percent uncommitted reserve	AB	Ready for discussion
	77	EDU	Legislative Proposal to Address State/Local Share Percentages and Mill Levy override Inequities	CH	4/12/18 added

## JBC Potential Legislation Moved to be Drafted/In Drafting

April 16, 2018 - 9:00 a.m.

LLS No.	Memo#	Dept.	Subject	JBC Staff	Status
18-1106	21	DHS	Settlement Agreement Cost	CK	Ready for 4/18/2018
18-1099	26	JUD	Controlled maintenance cash fund for the Carr Center.	SA	Ready for 4/18/18
18-0857	32+33	REG	Broadband	VR	Ready for 4/18/2018
18-1121	50	TRE	The Unclaimed Property Trust Fund	VR	Ready for 4/18/18
18-0987	55	LEG	Statutory Reserve Framework Changes	JZ	Ready for 4/18/18
18-0988	56	COM	Bi-Weekly State Employee Pay	ST/AK	Ready 4/18/18
18-1068	58		Rep. Rankin requested a bill to be added regarding definition of evidence-based.	VR	Ready 4/18/2018
18-1088	60	DHS	Tony Gramscas Allowable Grantees	RS	Ready 4/18/2018
18-1048	61	PS	Cyber Security	CB	Ready 4/18/2018
18-1159	71		IT Procurement process and various process changes.	KN	Ready for 4/18/18
18-1184	75	HED	18 million for Higher Education	AB	Ready for 4/18/18
18-1243	76	HCPF	Controlling Medicaid Costs	EK	Ready 4/18/18